

# Exhibit 1



June 25, 2018

**Certification**

**Park IP Translations**

This is to certify that the attached translation is, to the best of my knowledge and belief, a true and accurate translation from Chinese into English of the document with bates numbers range: IRI-CRT-00000014 – IRI-CRT-00000019.

A handwritten signature in black ink, appearing to read 'Hanna Kang'.

Hanna Kang

Project Manager

Project Number: BBLP\_1806\_007

15 W. 37th Street 8th Floor  
New York, NY 10018  
212.581.8870  
ParkIP.com



Printed by the Supreme People's Court and the Supreme People's Procuratorate

Notice of Opinion on the Handling of Several Issues in the Specific Application of Law to Job-Related Criminal Cases in State-Contributed Enterprises

Fa Fa [2010] Number 49

To the Superior People's Courts and People's Procuratorates of various provinces, autonomous regions and municipalities under the direct jurisdiction of the central government, the military courts of the People's Liberation Army, the military procuratorates, the Production and Construction Corps Division of the Uighur Superior People's Court of Xinjiang Autonomous Region, and the Xinjiang Production and Construction Corp People's Procuratorate:

The "Opinion of the Supreme People's Court and the Supreme People's Procuratorate on the Handling of Several Issues in the Specific Application of Law to Job-Related Criminal Cases in State-Contributed Enterprises" is hereby printed and distributed to you for your conscientious execution and implementation.

The Supreme People's Court of the People's Republic of China

The Supreme People's Procuratorate of the People's Republic of China

November 26, 2010 Opinion of the Supreme People's Court and the Supreme People's Procuratorate on the Handling of Several Issues in the Specific Application of Law to Job-Related Criminal Cases in State-Contributed Enterprises

With constant pushes for enterprise restructuring, People's Courts and People's Procuratorates have encountered some new situations and new issues when handling job-related criminal cases, such as embezzlement and bribery acceptance, in State-contributed enterprises. Such new situations and new issues have a certain uniqueness and complexity and need to be properly handled in accordance with law in light of the specific historical conditions of enterprise restructuring. Now, in accordance with the provisions of the Criminal Law and the spirit of relevant policies, the following opinion is hereby submitted with regard to several issues in the specific application of law to such criminal cases:

I. The handling of the behavior of workers in restructured State-contributed companies and enterprises that conceal company and enterprise properties

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during the restructuring process and that convert their ownership to the companies and enterprises after restructuring

Where State workers or personnel who manage and operate State-owned properties through authorization by State agencies, State-owned companies, enterprises, institutional units and people's groups take advantage of their positions and during the restructuring process of State-contributed enterprises, intentionally conceal company and enterprise property through under-valuation of assets, concealing debt claims, making up debt or making up ownership transactions, so as to transfer their ownership to restructured companies or enterprises whose shares are personally held by them, when criminal liability should be pursued in accordance with law, in accordance with the provisions of Article 382 and Article 383 of the Criminal Law, they shall be convicted and penalized on embezzlement charges. In general, the amount embezzled shall be calculated as the full amount of the property being concealed; where restructured companies and enterprises still have State-owned shares, the portion vested in the State shall be deducted based on the percentage of the shares. Where the concealed property is already actually controlled by such a perpetrator or where the restructuring of the State-owned enterprise has been completed, the crime shall be treated as being consummated.

Where personnel other than those specified in the first paragraph engage in such behavior, in accordance with the provisions of Article 271 of the Criminal Law, they shall be convicted and penalized on charges of official embezzlement; where personnel other than those specified in the first paragraph and personnel specified in the first paragraph jointly engage in such behavior, they shall be treated as accomplices to an embezzlement crime.

During the enterprise restructuring process, those who have not intentionally concealed company and enterprise properties through under-valuation of assets, concealing debt claims, making up debt and making up ownership transactions, etc., generally should not be found to have committed embezzlement; in the event that they have caused any major loss to State assets and commit crimes in accordance with law as specified by the provisions of Article 168 or Article 169 of the Criminal Law, they shall be convicted and penalized in accordance with such provisions.

II. Regarding the handling of the behavior of restructured State-owned companies and enterprises that conceal company and enterprise properties during the restructuring process, whose shares are held by workers in collective enterprises after the restructuring

Where State-owned companies and enterprises violate applicable state provisions and, during the restructuring process, conceal company and enterprise properties

and convert ownership to collective share ownership by employees after restructuring, the persons in charge with a direct responsibility and other personnel with direct responsibility shall be convicted and penalized on charges of dividing up State-owned assets without authorization in accordance with the provisions of Article 396 of the Criminal Law.

Where after restructuring, the company or enterprise only has the management personnel or a small number of personnel of the company or enterprise before the restructuring hold shares, and where most of the employees of the company or enterprise prior to the restructuring do not hold shares, in accordance with the provisions of Article 1 of this opinion, such management personnel or small number of employees shall be convicted and penalized on charges of embezzlement.

III. The handling of workers of State-contributed enterprises that use the funds of restructured companies and enterprises to guarantee personal loans in the purchase of shares in the restructured companies and enterprises

Where during the restructuring process of companies and enterprises, workers of State-contributed enterprises take advantage of their positions by using the funds or financial vouchers and negotiable securities of the companies and enterprises to guarantee personal loans, they shall be convicted and penalized on charges of appropriation of funds or appropriation of State funds in accordance with the provisions of Article 272 or Article 384 of the Criminal Law.

Where the perpetrator held shares in a State-contributed enterprise prior to restructuring, it shall not affect the finding of the amount being appropriated, but consideration shall be given as appropriate during sentencing.

Upon approval by the competent authorities in charge in accordance with the provisions of relevant policies, where workers of the State-contributed enterprise engage in actions in the preceding clause for the purchase of shares in a restructured company or enterprise, it may not necessarily be treated as a crime depending on the specific circumstances.

IV. Regarding the handling of the relations of duty by State workers during the restructuring process of enterprises

Where State workers in a State-contributed enterprise are seriously irresponsible or abuse their power during the restructuring of a company or enterprise or the handling process of State-owned assets, thus causing a major loss to State interest, they shall be convicted and penalized on charges of the reduction

of duty by personnel in a State-owned company or enterprise or abuse of power by personnel in a State-owned company or enterprise in accordance with the provisions of Article 168 of the Criminal Law.

Where during the process of restructuring of a company or enterprise or the disposition of State-owned assets, state workers in a State-contributed enterprise cause great damage to the national interest by practicing favoritism and converting State-owned assets into low-value stocks or selling them at a low price to a company or enterprise in which they do not hold shares or to any other individual, they shall be convicted and penalized on charges of practicing favoritism by converting State-owned assets into low value stocks or selling them at a low price in accordance with the provisions of Article 169 of the Criminal Law.

Where during the process of restructuring a company or enterprise or the disposition of State-owned assets, workers in a State-contributed enterprise cause great damage to the national interest by practicing favoritism and converting State-owned assets into low-value stocks or selling them at a low price to a company in which the specific affiliated person holds shares or that is controlled by himself/herself, he/she shall be convicted and penalized on charges of embezzlement in accordance with the provisions of Article 382 and Article 383 of the Criminal Law. The amount embezzled shall be calculated as the amount of the loss of State-owned assets.

Where State workers in a State-contributed enterprise accept bribes due to the implementation of actions in Clause 1 and Clause 2 and, at the same time, commit a crime specified in Article 385 of the Criminal Law, they shall be convicted and penalized in accordance with the provisions providing for a heavier penalty.

V. The handling of crimes upon the occurrence of changes to the body before and after restructuring

Where before the restructuring of a State-contributed enterprise, State workers take advantage of their positions in committing a crime and engage in the same action after they no longer have an identity as State workers and where different crimes have been committed in accordance with law, separate convictions shall be obtained and penalties shall be concurrently imposed for multiple crimes.

Where State workers take advantage of their positions and during the restructuring process of a State-contributed enterprise, conceal properties of a company or enterprise,

and take the concealed properties as their own after they no longer have an identity as State workers, in accordance with the provisions of Article 382 and Article 383 of the Criminal Law, they shall be convicted and penalized on embezzlement charges.

During the restructuring process of a State-contributed enterprise, where State workers take advantage of their positions by seeking benefits for those offering bribes, and agree to accept property from those offering bribes after they no longer have an identity as State workers or continuously accept property from those offering bribes before and after the change in their identity, they shall be convicted and penalized on charges of bribery in accordance with the provisions of Article 385 and Article 386 of the Criminal Law.

#### VI. Regarding the determination of State workers in State-contributed enterprises

Personnel who engage in public business in a State-controlled company, a State-participating stock company or their branches upon nomination, recommendation, appointment and approval by a State organ, State-owned company, enterprise or institutional unit shall be determined to be State workers. The specific appointing agency and procedures shall not affect the determination of State workers.

Personnel who engage in organizational, leadership, oversight, operations or management work in a State-controlled company, a State-participating stock company or their branches on behalf of an organization that has the duty to manage and oversee a State-contributed enterprise upon its approval or study and decision shall be determined to be State workers.

The fact that State workers in a State-contributed enterprise hold personal shares in the State-contributed enterprise or at the same time accept authorization from non-State-owned shareholders shall not affect the determination of their identity as State workers.

#### VII. Regarding the definition of State-contributed enterprises

As used in this opinion, “a State-contributed enterprise” shall include wholly State-owned companies, wholly State-owned enterprises and State-controlled companies and State-participating stock companies.

In the event that whether an enterprise is a State-contributed enterprise is not clear, the principle of “whoever makes investment has ownership” shall be followed for definition. Where the source of funds in the registration of an enterprise is inconsistent with the actual capital contribution,

the nature of the enterprise may be determined in light of factors such as registration with the State Administration of Industry and Commerce, formal distribution and operations and management, etc.

VIII. Regarding the specific implementation of the criminal policy of tempering justice with mercy

When handling job-related criminal cases in State-contributed enterprises, attention should be paid to specific analysis specific circumstances in light of comprehensive consideration of historical conditions, enterprise development, employment of employees and social stability and strictly distinguishing the boundaries between crimes and general actions of infractions. Serious crimes with obvious subjective malice, social harm and strong public reaction should be severely punished; where in specific historical conditions, to successfully complete enterprise restructuring, perpetrators implement actions in violation of the provisions of State policies and laws without subjective malice or where the subjective malice is not obvious, the circumstances are not serious and the harm is not great, such violations may not necessarily be treated as crimes.

Punishment shall be increased in economic severity for job-related crimes in State-owned enterprises. Full attention should be paid to the application and enforcement of property crimes, in order to recover loss of the State's and people's interest to the greatest extent possible. Failure to give up ill-gotten gains shall be considered as an important circumstance when determining criminal penalties.

最高人民法院 最高人民检察院印发

《关于办理国家出资企业中职务犯罪案件具体应用法律若干问题的解释》的通知

法发〔2010〕49号

各省、自治区、直辖市高级人民法院、人民检察院、解放军军事法院、军事检察院，新疆维吾尔自治区高级人民法院生产建设兵团分院、新疆生产建设兵团人民检察院：

现将《最高人民法院、最高人民检察院关于办理国家出资企业中职务犯罪案件具体应用法律若干问题的解释》印发给你们，请认真贯彻执行。

中华人民共和国最高人民法院

中华人民共和国最高人民检察院

二〇一〇年十一月二十六日

最高人民法院 最高人民检察院关于办理国家出资企业中职务犯罪案件具体应用法律若干问题的解释

随着企业改制的不断推进，人民法院、人民检察院在办理国家出资企业中的贪污、受贿等职务犯罪案件时遇到了一些新情况、新问题。这些新情况、新问题具有一定的特殊性和复杂性，需要结合企业改制的特定历史条件，依法妥善地进行处理。现根据刑法规定和相关政策精神，就办理此类刑事案件具体应用法律的若干问题，提出以下意见：

一、关于国家出资企业工作人员在改制过程中隐匿公司、企业财产归个



人持股的改制后公司、企业所有的行为的处理

国家工作人员或者受国家机关、国有公司、企业、事业单位、人民团体委托管理、经营国有财产的人员利用职务上的便利，在国家出资企业改制过程中故意通过低估资产、隐瞒债权、虚设债务、虚构产权交易等方式隐匿公司、企业财产，转为本人持有股份的改制后公司、企业所有，应当依法追究刑事责任的，依照刑法第三百八十二条、第三百八十三条的规定，以贪污罪定罪处罚。贪污数额一般应当以所隐匿财产全额计算；改制后公司、企业仍有国有股份的，按股份比例扣除归于国有的部分。所隐匿财产在改制过程中已为行为人实际控制，或者国家出资企业改制已经完成的，以犯罪既遂处理。

第一款规定以外的人员实施该款行为的，依照刑法第二百七十一条的规定，以职务侵占罪定罪处罚；第一款规定以外的人员与第一款规定的人员共同实施该款行为的，以贪污罪的共犯论处。

在企业改制过程中未采取低估资产、隐瞒债权、虚设债务、虚构产权交易等方式故意隐匿公司、企业财产的，一般不应当认定为贪污；造成国家资产重大损失，依法构成刑法第一百六十八条或者第一百六十九条规定的犯罪的，依照该规定定罪处罚。

二、关于国有公司、企业在改制过程中隐匿公司、企业财产归职工集体持股的改制后公司、企业所有的行为的处理

国有公司、企业违反国家规定，在改制过程中隐匿公司、企业财产，转



为职工集体持股的改制后公司、企业所有的，对其直接负责的主管人员和其他直接责任人员，依照刑法第三百九十六条第一款的规定，以私分国有资产罪定罪处罚。

改制后的公司、企业中只有改制前公司、企业的管理人员或者少数职工持股，改制前公司、企业的多数职工未持股的，依照本意见第一条的规定，以贪污罪定罪处罚。

三、关于国家出资企业工作人员使用改制公司、企业的资金担保个人贷款，用于购买改制公司、企业股份的行为的处理

国家出资企业的工作人员在公司、企业改制过程中为购买公司、企业股份，利用职务上的便利，将公司、企业的资金或者金融凭证、有价证券等用于个人贷款担保的，依照刑法第二百七十二条或者第三百八十四条的规定，以挪用资金罪或者挪用公款罪定罪处罚。

行为人在改制前的国家出资企业持有股份的，不影响挪用数额的认定，但量刑时应当酌情考虑。

经有关主管部门批准或者按照有关政策规定，国家出资企业的工作人员为购买改制公司、企业股份实施前款行为的，可以视具体情况不作为犯罪处理。

四、关于国家工作人员在企业改制过程中的渎职行为的处理

国家出资企业中的国家工作人员在公司、企业改制或者国有资产处理过程中严重不负责任或者滥用职权，致使国家利益遭受重大损失的，依照

刑法第一百六十八条的规定，以国有公司、企业人员失职罪或者国有公司、企业人员滥用职权罪定罪处罚。

国家出资企业中的国家工作人员在公司、企业改制或者国有资产处置过程中徇私舞弊，将国有资产低价折股或者低价出售给其本人未持有股份的公司、企业或者其他个人，致使国家利益遭受重大损失的，依照刑法第一百六十九条的规定，以徇私舞弊低价折股、出售国有资产罪定罪处罚。

国家出资企业中的国家工作人员在公司、企业改制或者国有资产处置过程中徇私舞弊，将国有资产低价折股或者低价出售给特定关系人持有股份或者本人实际控制的公司、企业，致使国家利益遭受重大损失的，依照刑法第三百八十二条、第三百八十三条的规定，以贪污罪定罪处罚。贪污数额以国有资产的损失数额计算。

国家出资企业中的国家工作人员因实施第一款、第二款行为收受贿赂，同时又构成刑法第三百八十五条规定之罪的，依照处罚较重的规定定罪处罚。

#### 五、关于改制前后主体身份发生变化的犯罪的处理

国家工作人员在国家出资企业改制前利用职务上的便利实施犯罪，在其不再具有国家工作人员身份后又实施同种行为，依法构成不同犯罪的，应当分别定罪，实行数罪并罚。

国家工作人员利用职务上的便利，在国家出资企业改制过程中隐匿公司、

企业财产，在其不再具有国家工作人员身份后将所隐匿财产据为己有的，依照刑法第三百八十二条、第三百八十三条的规定，以贪污罪定罪处罚。国家工作人员在国家出资企业改制过程中利用职务上的便利为请托人谋取利益，事先约定在其不再具有国家工作人员身份后收受请托人财物，或者在身份变化前后连续收受请托人财物的，依照刑法第三百八十五条、第三百八十六条的规定，以受贿罪定罪处罚。

#### 六、关于国家出资企业中国家工作人员的认定

经国家机关、国有公司、企业、事业单位提名、推荐、任命、批准等，在国有控股、参股公司及其分支机构中从事公务的人员，应当认定为国家工作人员。具体的任命机构和程序，不影响国家工作人员的认定。

经国家出资企业中负有管理、监督国有资产职责的组织批准或者研究决定，代表其在国有控股、参股公司及其分支机构中从事组织、领导、监督、经营、管理工作的人员，应当认定为国家工作人员。

国家出资企业中的国家工作人员，在国家出资企业中持有个人股份或者同时接受非国有股东委托的，不影响其国家工作人员身份的认定。

#### 七、关于国家出资企业的界定

本意见所称“国家出资企业”，包括国家出资的国有独资公司、国有独资企业，以及国有资本控股公司、国有资本参股公司。

是否属于国家出资企业不清楚的，应遵循“谁投资、谁拥有产权”的原则进行界定。企业注册登记中的资金来源与实际出资不符的，应根据实

际出资情况确定企业的性质。企业实际出资情况不清楚的，可以综合工商注册、分配形式、经营管理等因素确定企业的性质。

#### 八、关于宽严相济刑事政策的具体贯彻

办理国家出资企业中的职务犯罪案件时，要综合考虑历史条件、企业发展、职工就业、社会稳定等因素，注意具体情况具体分析，严格把握犯罪与一般违规行为的区分界限。对于主观恶意明显、社会危害严重、群众反映强烈的严重犯罪，要坚决依法从严惩处;对于特定历史条件下、为了顺利完成企业改制而实施的违反国家政策法律规定的行为，行为人无主观恶意或者主观恶意不明显，情节较轻，危害不大的，可以不作为犯罪处理。

对于国家出资企业中的职务犯罪，要加大经济上的惩罚力度，充分重视财产刑的适用和执行，最大限度地挽回国家和人民利益遭受的损失。不能退赃的，在决定刑罚时，应当作为重要情节予以考虑。

# Exhibit 2



June 29, 2018

**Certification**

**Park IP Translations**

This is to certify that the attached translation is, to the best of my knowledge and belief, a true and accurate translation from Chinese into English of the document with bates number range: IRI-CRT-00000232 – IRI-CRT-00000321.

A handwritten signature in black ink, appearing to read 'Hanna Kang'.

Hanna Kang

Project Manager

Project Number: BBLP\_1806\_007

15 W. 37th Street 8th Floor  
New York, NY 10018  
212.581.8870  
ParkIP.com



Irigo Display Devices Co., Ltd.  
600707  
2007 Annual Report

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Irigo Display Devices Co., Ltd. 2007 Annual Report

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I. Items of note

1. The board of directors, board of supervisors, directors, supervisors, and senior executives of this company ensure that the material contained in this report is free of any false records, misleading statements or major omissions, and assume individual and joint responsibility for the truthfulness, accuracy, and integrity of its content.
2. All company directors attend board of directors meetings.
3. ShineWing Certified Public Accountants Co., Ltd. has issued a standard unqualified audit report for this company.
4. Company head Mr. Xing Daoqin, chief accounting officer Mr. Jiang Ahe, and accounting organ principal (person in charge of accounting) Ms. Qiu Dongfeng declare: the financial reports in the Annual Report are ensured to be truthful and complete.

II. About the company

1. Legal name of company: Irigo Display Devices Co., Ltd.  
Abbreviation of legal name of company: Irigo
2. Corporate legal representative: Xing Daoqin
3. Corporate secretary to the board: Liu Xiaodong  
Telephone: 029-33332866  
Fax: 029-33333852  
E-mail: gfoffice@ch.com.cn  
Mailing address: No. 1 Irigo Road, Xianyang, Shaanxi Province  
Corporate securities representative: Zheng Tao  
Telephone: 029-33333853  
Fax: 029-33333852  
E-mail: gfoffice@ch.com.cn  
Mailing address: No. 1 Irigo Road, Xianyang, Shaanxi Province
4. Corporate registered address: Xi'an High-tech Industries Development Zone, Western District  
Corporate office address: No. 1 Irigo Road, Xianyang, Shaanxi Province  
Postal code: 712021  
Corporate international internet address: www.inicoltd.com.cn  
Corporate email: gfoffice@ch.com.cn
5. Name of periodicals for corporate information disclosure: "China Securities Journal", "Securities Times"  
International website designated by the China Securities Regulatory Commission to carry the company's Annual Report: www.sse.com.cn  
Location of corporate Annual Report filing: Office of the corporate board of directors
6. Exchange for corporate A-shares listing: Shanghai Stock Exchange  
Corporate A-shares abbreviation: Irigo  
Corporate A-shares code: 600707
7. Other relevant information  
Date and location of company's initial registration: 29 July 1992                      Xianyang  
Date and location of company's registration change: 28 September 2001                      Xi'an  
Corporate business license registration number: 610000100063235  
Corporate tax registration number: SGSZ 610198220533028  
Corporate organization code: 22053302-8  
Name of domestic accounting firm engaged by company: ShineWing Certified Public Accountants Co., Ltd.  
Office address of domestic accounting firm engaged by company: 9th Floor, Tower A, Fuhua Building, 8 Chaoyangmen North Avenue, Dongcheng District, Beijing

## Irico Display Devices Co., Ltd. 2007 Annual Report

## III. Main financial data and indices:

## (I) Main financial data from this reporting period

Unit: *yuan* Currency: RMB

Item	Amount
Operating profit	-28,948,650.49
Total profit	-27,201,834.79
Net profit attributable to shareholders of listed companies	-28,433,627.98
Net profit attributable to shareholders of listed companies after deduction of non-recurring profit and loss	-59,077,332.69
Net cash flow from operating activities	33,552,712.51

## (II) Deducted non-recurring profit and loss items and amounts

Unit: *yuan* Currency: RMB

Non-recurring profit and loss item	Amount
Recovery from previous year allotment of provision for diminution in value	724,001.41
Non-recurring profit and loss on disposal of assets	28,048,406.26
Inclusion of current quarter's profit and loss government subsidies	3,000,000.00
Net non-operating income excluding preceding items	-1,224,005.49
Non-recurring profit and loss total	30,548,402.18
Included: Attributable to shareholders of listed companies	30,643,704.71

## (III) End of the reporting period main accounting data and financial indices for company from previous three years

Unit: *yuan* Currency: RMB

Main accounting data	2007	2006		This year's increase or decrease from previous year (%)	2005
		After adjustment	Before adjustment		
Operating revenue	1,705,696,095.72	2,067,039,893.50	2,067,039,894	-17.48	2,130,567,191.87
Total profit	-27,201,834.79	16,075,335.36	21,535,884	-269.21	-563,871,895.88
Net profit attributable to shareholders of listed companies	-28,433,627.98	15,453,679.24	19,762,298	-283.99	-551,567,005.63
Profit attributable to shareholders of listed companies excluding non-recurring profit and loss	-59,077,332.69	5,190,966.48	7,025,507	-1238.08	-553,672,844.07
Basic earnings per share	-0.07	0.04	0.05	-275.00	-1.31
Diluted earnings per share	-0.07	0.04	0.05	-275.00	-1.31
Basic earnings per share excluding non-recurring profit and loss	-0.14	0.01	0.02	-1500.00	-1.31
Fully diluted return on equity (%)	-1.99	1.12	1.42	down 3.11 percentage points	-40.17
Weighted average return on equity (%)	-2.06	1.12	1.43	down 3.18 percentage points	-32.02
Fully diluted return on equity net of non-recurring gains and losses (%)	-4.14	0.37	0.51	down 4.51 percentage points	-40.32
Weighted average return on equity net of non-recurring gains and losses (%)	-4.29	0.38	0.51	down 4.67 percentage points	-32.14
Net cash flow from operating activities	33,552,712.51	39,359,331.21	39,359,331	-14.75	170,309,527.68
Net cash flow per share from operating activities	0.08	0.09	0.09	-11.11	0.40
	End of 2007	End of 2006		This year-end gain or loss from previous year (%)	End of 2005
		After adjustment	Before adjustment		
Total assets	2,042,414,249.22	2,146,988,770.66	2,144,410,636	-4.87	2,227,812,845.77
Owners' equity (or shareholders' equity)	1,427,758,567.56	1,385,482,423.15	1,389,659,618	3.05	1,373,070,664.53
Net assets per share attributable to shareholders of listed company	3.39	3.29	3.30	3.04	3.26

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## IV. Share capital changes and shareholders' status

## (I) Share capital changes

## 1. Table of share changes

Unit: shares

	Prior to this change		Gain or loss from this change (+, -)					After this change	
	Quantity	Ratio (%)	Issuance of new shares	Bonus shares	Dividend stock from contributed capital surplus	Other	Subtotal	Quantity	Ratio (%)
<b>I. Restricted shares</b>									
1. Shares held by the state									
2. Shares held by state-controlled companies	180,675,565	42.90				-19,266,021	-19,266,021	161,409,544	38.32
3. Shares held by other domestic investors	36,497,618	8.67				-18,698,594	-18,698,594	17,799,024	4.23
Including:									
Shares held by domestic legal persons	36,497,618	8.67				-18,698,594	-18,698,594	17,799,024	4.23
Shares held by domestic natural persons									
4. Shares held by foreign investors	0	0				+469,557	+469,557	469,557	0.11
Including:									
Shares held by foreign legal persons	0	0				+469,557	+469,557	469,557	0.11
Shares held by foreign natural persons									
Total restricted shares	217,173,183	51.57				-37,495,058	-37,495,058	179,678,125	42.66
<b>II. Unrestricted tradable shares</b>									
1. RMB-denominated common stock	203,975,617	48.43				37,495,058	37,495,058	241,490,675	57.34
2. Domestically-listed shares held by foreign investors									
3. Overseas-listed shares held by foreign investors									
4. Other									
Unrestricted tradable shares total	203,975,617	48.43				37,495,058	37,495,058	241,470,675	57.34
<b>III. Total shares</b>	<b>421,148,800</b>	<b>100.00</b>						<b>421,148,800</b>	<b>100.00</b>

**Approval of changes in shares**

1) The number of restricted tradable shares held by the state-controlled company shareholder Irico Group Electronics Co., Ltd. (hereinafter abbreviated as "Irico Electronics" (0438 HK)) at the end of this year was 161,409,544, down 19,266,021 shares. This is mainly because the restricted stock trade period for 21,057,440 of its restricted shares expired, and they were listed and traded on 31 July 2007. In addition, as of the end of the reporting period, 9 shareholders of restricted tradable shares, including Xi'an Aircraft Industrial Corporation, Shanghai Tiandi Technology Investment & Development Co., Ltd., and Northwest University Printing House separately signed an "Agreement on the reimbursement of split share structure reform considerations" with Irico Electronics, compensating Irico Electronics with a total of 1,791,419 shares. Stock equity transfer procedures have already been completed for this share compensation.

2) The reduction in restricted tradable shares held by other legal persons is mainly because the restricted stock trade period for some of the restricted tradable shares held by legal persons expired, and they were listed and traded on 31 July 2007, and also because 9 holders of restricted tradable shares, including Xi'an Aircraft Industrial Corporation, compensated Irico Electronics with shares.

3). The increase in unrestricted tradable shares is mainly based on the commitments of the split share structure reform plan, with the restricted trade period of originally restricted tradable shares expiring, and their listing and trading. See the 24 July 2007 issues of the "China Securities Journal" and "Securities Times" for details on the company's "Announcement on listing of restricted tradable shares".

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## Status of transfer for share changes

1) Holder of originally restricted tradable shares, the Shaanxi Branch of the China National Electronics Import & Export Corporation, took its 720,000 shares and transferred 600,000 to MELLON HBV MASTER GLOBAL EVENT DRIVEN FUND LP and 120,000 to Beijing Xiangheng Science and Technology Co., Ltd. via judicial sale, completing equity transfer procedures on 3 August 2007 and 27 July 2007, respectively.

2) On 4 December 2007, holder of originally restricted tradable shares Xianyang Pianzhuan Solenoid Shareholding Co., Ltd., corrected the stock rights registration for 720,000 of its held shares to the name of Xianyang Pianzhuan Group Corporation.

## 2. Table of status of restricted shares changes

Unit: shares

Shareholder's name	No. of restricted shares at beginning of year	No. of shares with restriction lifted this year	Added no. of restricted shares this year	No. of restricted shares at end of year	Cause for restriction	Date of lifting of restriction
Irico Group Electronics Co., Ltd.	180,675,565	21,057,440	1,791,440	161,409,544	Share reform commitment	Based on share reform commitment, restrictions on remaining restricted shares will be lifted on 31 July 2008 and 31 July 2009
Xi'an Yaxuan Trade Co., Ltd.	4,695,569	4,695,569		0		
Shekou Social Insurance Corporation	2,817,341	2,817,341		0		
Urumqi City Commercial Bank Co., Ltd.	1,878,227	1,878,227		0		
Sinochem International Petroleum Co.	1,878,227	1,878,227		0		
Zhongjin Irradiation Co., Ltd.	939,114	939,114		0		
Shaanxi Irico Sanchan Corp.	860,854	860,854		0		
Shanghai Qianyi Investment Consultants Co., Ltd.	704,335	704,335		0		
Lishui City East China Electrical Power Safety Equipment Co., Ltd.	657,380	657,380		0		
Zhuhai Special Economic Zone Caizhu Industry and Trade Corporation	488,339	488,339		0		
Shenzhen Tongqian Investment Co., Ltd.	469,557	469,557		0		
Shaanxi Huaxinke Industry and Trade Co., Ltd.	313,037	313,037		0		
Shanghai Yanfu Trade Co., Ltd.	187,823	187,823		0		
Xi'an Metallic Materials Corporation, Southern Suburbs Supply Station	187,823	187,823		0		
Xinjushi Magazine Publishing	93,911	93,911		0		
Xi'an Capital Motor Vehicle Transport Site	93,911	93,911		0		
Beijing Guanhua Educational Consultants Co., Ltd.	93,911	93,911		0		
China Huarong Asset Management Co., Urumqi Office	78,259	78,259		0		
Xi'an Aircraft Industrial Corporation	2,400,000	0		1,878,227		3 March 2008
Shanghai Tiandi Technology Investment & Development Co., Ltd.	1,800,000	0		1,408,671		3 March 2008
Northwest University Printing House	1,200,000	0		939,114		3 March 2008
Xianyang Pianzhuan Group Corporation	720,000	0		563,468		3 March 2008
MELLON HBV MASTER GLOBAL EVENT DRIVEN FUND LP	600,000	0		469,557		3 March 2008
Xianyang Weicheng District Dizhang Machinery Factory	600,000	0		469,557		3 March 2008
Guangzhou South China Information Industry Co., Ltd.	600,000	0		469,557		3 March 2008
Zhejiang Zhongxin Investment Consultants Co., Ltd.	200,000	0		156,519		3 March 2008
Beijing Xiangheng Science and Technology Co., Ltd.	120,000	0		93,911		3 March 2008
Other	11,820,000	0		11,820,000	Share reform shares not yet compensated	
Total	217,173,183	37,495,058	1,791,419	161,409,544	--	--

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## 3. Securities issuance and listing situation

## (1) Securities issuance situation from previous three years

As of the end of this reporting period, going back three years, the company has had no securities issuances or listings.

## (2) Change in the company's shares total and structure

During this reporting period, there was no change in the company's shares total or structure due to reasons such as bonus shares and share allotment.

## (3) Status of existing employee stocks

The company had no employee stocks at the end of this reporting period.

## (II) Shareholders' status

## 1. Number of shareholders and holding status

Unit: shares

Total number of shareholders at end of reporting period	58,227					
Holding status of top ten shareholders						
Shareholder's name	Nature of shareholder	Shareholding ratio (%)	Number of shares held	Increase or decrease during reporting period	Number of restricted shares held	No. of pledged or frozen shares
Irico Group Electronics Co., Ltd.	state-owned legal person	41.36	174,189,544	-6,486,021	161,409,544	none
Zhejiang Lanshen Information Technology Investment Co., Ltd.	other	1.71	7,200,000	0	7,200,000	pledged 7,200,000
Xi'an Yaxuan Trade Co., Ltd.	other	0.97	4,100,000	-595,569	0	none
Urumqi City Commercial Bank Co., Ltd.	other	0.45	1,878,227	0	0	none
Xi'an Aircraft Industrial Corporation	other	0.45	1,878,227	-521,773	1,878,227	none
Sinochem International Petroleum Co.	other	0.45	1,878,227	0	0	none
Tao Xinxian	other	0.41	1,741,978	1,741,978	0	unknown
Shaanxi Taide Industry Co., Ltd.	other	0.36	1,500,000	0	1,500,000	frozen 1,500,000
Shanghai Tiandi Technology Investment & Development Co., Ltd.	other	0.33	1,408,671	-391,329	1,408,671	none
Wang Junying	other	0.33	1,407,329	1,407,329	0	unknown
Holding status of top ten holders of unrestricted shares						
Shareholder's name	Number of unrestricted shares held			Type of shares		
Irico Group Electronics Co., Ltd.	12,780,000			RMB-denominated common stock		
Xi'an Yaxuan Trade Co., Ltd.	4,100,000			RMB-denominated common stock		
Urumqi City Commercial Bank Co., Ltd.	1,878,227			RMB-denominated common stock		
Sinochem International Petroleum Co.	1,878,227			RMB-denominated common stock		
Tao Xinxian	1,741,978			RMB-denominated common stock		
Wang Junying	1,407,329			RMB-denominated common stock		
Pan Yuanqing	1,394,700			RMB-denominated common stock		
Cheng Xiaowei	1,301,000			RMB-denominated common stock		
Beijing Hexie Life Investment Co., Ltd.	1,368,355			RMB-denominated common stock		
Qiu Jianfang	1,100,000			RMB-denominated common stock		
Explanation of the associations or concerted action relationships of shareholders listed above	No associations or concerted action situations exist between Irco Group Electronics Co., Ltd. and the other shareholders. This company does not know whether associations or concerted action situations exist among the other shareholders.					

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## Number of shares held by top ten restricted shareholders, and restriction conditions

Unit: shares

No.	Name of restricted shareholder	No. of shares with restrictions	Marketable status of restricted shares		Restriction conditions
			Marketable time	Added number of marketable shares	
1	Irico Group Electronics Co., Ltd.	161,409,544	31 July 2008	21,057,440	21,057,440 shares may be listed and traded in the second year after completion of the share reform plan (31 July 2008); the remaining floating shares with trading limited conditions may be listed and traded in the third year (31 July 2009).
2	Zhejiang Lanshen Information Technology Investment Co., Ltd.	7,200,000			After compensation of advanced shares
3	Xi'an Aircraft Industrial Corporation	1,878,227	3 March 2008	1,878,227	
4	Urumqi City Commercial Bank Co., Ltd.	1,500,000			After compensation of advanced shares
5	Shanghai Tiandi Technology Investment & Development Co., Ltd.	1,408,671	3 March 2008	1,408,671	
6	Shenzhen Haida Science and Technology Co.	1,080,000			After compensation of advanced shares
7	Northwest University Printing House	939,114	3 March 2008	939,114	
8	Shaanxi Higher Education Instruments and Equipment Co.	600,000			After compensation of advanced shares
9	Xianyang Pianzhuan Group Corporation	563,468	3 March 2008	563,468	
10	Xianyang Weicheng District Dizhang Machinery Factory	469,557	3 March 2008	469,557	

Note: Of these shareholders, Zhejiang Lanshen Information Technology Investment Co., Ltd., Shaanxi Taide Industry Co., Ltd., Shenzhen Haida Science and Technology Co., and Shaanxi Higher Education Instruments and Equipment Co. have not paid share reform considerations; they have been advanced by this company's controlling shareholder Irico Group Electronics Co., Ltd. If the non-tradable shares held by these shareholders become listed and traded in the future, the advanced considerations must be paid to Irico Electronics. For dividend payouts during the advance period, the dividends corresponding to the advanced shares shall be given back, as well as interest calculated according to the bank deposit interest rate for that period. And with the agreement of Irico Electronics, this company shall also hand in an application for the listing and trading of these shares.

## 2. About the controlling shareholder and actual controlling shareholder

## (1) Status of corporate controlling shareholder

Controlling shareholder name: Irico Group Electronics Co., Ltd.

Legal representative: Xing Daoqin

Registered capital: 1,941,174,000 yuan

Establishment date: 10 September 2004

Main business or management activities: Research, development, manufacture, and sale of color display devices and paired products and materials, electronic devices, electronic vacuum devices, and electronic products.

## (2) Status of corporate actual controlling shareholder

Actual controlling shareholder name: Irico Group Corporation

Legal representative: Xing Daoqin

Registered capital: 1,000,000,000 yuan

Establishment date: 10 September 1995

Main business or management activities: Research, development, and manufacture of color picture tubes, display tubes, color televisions, displays and paired products, electronic devices, electronic vacuum devices, and electronic products.

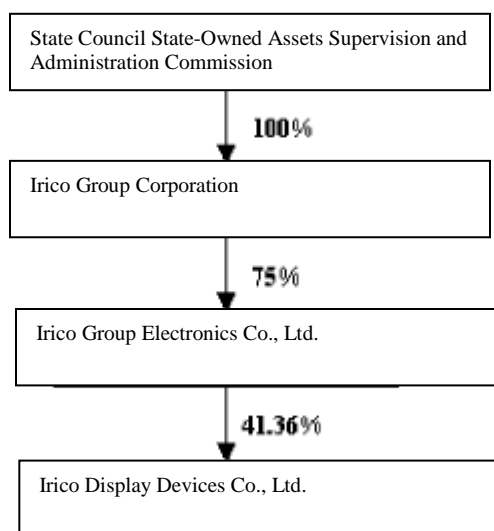
## (3) Changes in controlling shareholder and actual controlling shareholder

No changes to the company's controlling shareholder and actual controlling shareholder during this reporting period.

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(4) Block diagram of property rights and controlling relationship between company and actual controlling shareholder



3. Other corporate shareholders holding over 10% shares

As of the end of this reporting period, the company had no other corporate shareholders holding over 10% shares.



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## V. Directors, supervisors, and senior executives

## (I) Status of directors, supervisors, and senior executives

Unit: shares

Name	Position	Gender	Age	Start of term	End of term	Shares held at beginning of year	Shares held at end of year	Compensation paid by company during reporting period (10,000 yuan) (before taxes)	Compensation on or allowance paid by shareholder's unit or other associated unit?
Xing Daoqin	chairman of the board of directors	male	53	29 November 2007	20 September 2008	0	0	-	yes
Guo Mengquan	deputy chairman of the board of directors	male	51	29 November 2007	20 September 2008	0	0	-	yes
Zhang Shaowen	director	male	46	29 November 2007	20 September 2008	0	0	-	yes
Wang Ximin	director, general manager	male	53	29 November 2007	20 September 2008	0	0	-	yes
Zhao Shouguo	independent director	male	45	20 September 2005	20 September 2008	0	0	30,000	no
Zhang Tianxi	independent director	male	52	20 September 2005	20 September 2008	0	0	30,000	no
Liu Rulin	independent director	male	62	20 September 2005	20 September 2008	0	0	30,000	no
Ge Di	chairman of the board of supervisors	male	48	20 September 2005	20 September 2008	0	0	-	yes
Wang Qi	supervisor	female	49	27 June 2007	20 September 2008	0	0	-	yes
Li Jiashun	employee supervisor	male	46	20 September 2005	20 September 2008	0	0	86,786	no
Li Sen	assistant general manager	male	43	29 November 2007	20 September 2008	0	0	-	yes
Jiang Ahe	chief financial officer	male	52	29 November 2007	20 September 2008	0	0	-	yes
Liu Xiaodong	secretary to the board of directors	male	36	20 September 2005	20 September 2008	0	0	101,174	no
Total	/	/	/	/	/	/	/	277,960	/

Note: During the reporting period, the company replaced 4 directors, 1 supervisor, and 4 senior executives; during the reporting period, the company's actual payments to directors, supervisors, and senior executives (including those currently serving and those who left their post during the reporting period) in pre-tax compensation totaled 766,100 yuan.

Main work experience of directors, supervisors, and senior executives over past 5 years:

(1) Xing Daoqin, September 1996 - September 2004, served as assistant general manager of Irico Group Corporation; September 2004 - June 2005, served as assistant general manager of Irico Group Corporation and CEO of Irico Group Electronics Co., Ltd.; July 2005 - present, serves as general manager of Irico Group Corporation and chairman of the board of Irico Group Electronics Co., Ltd.

(2) Guo Mengquan, March 2001 - present, serves as assistant general manager of Irico Group Corporation; also served as CEO of Irico Group Electronics Co., Ltd. from 2005 to 2007; October 2006 - present, serves as chairman of the board of Shaanxi Irico Electronics Glass Co., Ltd.

(3) Zhang Shaowen, 2001 to present, assistant general manager of Irico Group Corporation.

(4) Wang Ximin, April 2001 - December 2004, served as director of the Irico Group Corporation Production Department; December 2004 - July 2005, served as CEO assistant of Irico Group Electronics Co., Ltd. and general manager of the Operations Management Department; beginning in August 2005, served as Irico Group Electronics Co., Ltd. vice president; September 2005 - November 2007, served as chairman of the board of this company; beginning November 2007, served as director and general manager of this company.

(5) Zhao Shouguo, 2001 - present, serves as vice president, professor, and doctoral advisor at Northwest University School of Economics and Management.

(6) Zhang Tianxi, April 2000 - January 2003, served as accounting professor and president of Xi'an Jiaotong University School of Accounting; October 2004 to present, serves as director of the Accounting Department at the Antai School of Management, Shanghai Jiao Tong University.



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(7) Liu Rulin, September 1993 - June 2005, served as Ministry of Electronics Industry and Ministry of Information Industry Comprehensive Planning Division section chief and assistant division director; June 2005 - present, serving as secretary-general of the Chinese Institute of Electronics.

(8) Ge Di, April 2001 - March 2007, served as director of the Irico Glass Factory; March 2007 - present, serves as director of the Irico Group Electronics Co., Ltd. Metal Components Department; March 2007 - present, serves as chairman of the board of Caiqin Electronic Devices Co., Ltd. and chairman of the board of Irico Electronics Parts Co., Ltd.; December 2007 - present, serves as CEO assistant of Irico Group Electronics Co., Ltd..

(9) Wang Qi, July 1995 - November 2005, served as chief accountant of Xi'an Irico Electronic Industrial Co., Ltd.; December 2005 - present, serves as Assets and Finance Department director of Irico Group Corporation.

(10) Li Jiashun, March 2000 - March 2003, served as director of this company's former Workshop No. 2; beginning March 2003, has served as this company's labor union chairman and director of the Party - Masses Office; beginning November 2007, has serves as chairman of the labor union and director of the Party - Masses Office at this company's Color Tube Factory No. 2.

(11) Li Miao, May 2001 - July 2005, served as director of the Irico Group Electronics Co., Ltd. Color Tube Factory No. 1; March 2005 - September 2005, served as general manager of Xi'an Cairui Display Technology Co., Ltd.; August 2005 - December 2007, served as vice president of Irico Group Electronics Co., Ltd.; March 2006 - March 2007, served as chairman of the board of Xianyang Irico Electronics Parts Co., Ltd.; beginning November 2007, has served as this company's Assistant General Manager. March 2006 - present, serves as chairman of the board of Xianyang Irico Electronics Shade Mask Co., Ltd. and Kunshan Irico Industry Co., Ltd.

(12) Jiang Ahe, April 2003 - November 2005, served as finance manager of Zhuhai Caizhu Industry Co., Ltd.; December 2005 - November 2007, served as chief accountant of Xi'an Irico Electronic Industrial Co., Ltd.; beginning November 2007, has served as chief financial officer of this company.

(13) Liu Xiaodong, March 2002- present, serving as secretary of this company's board of directors.

## (II) Posts held in shareholder units

Name	Name of shareholder unit	Position held	Start of term	End of term	Compensation or allowance collected?
Xing Daoqin	Irico Group Electronics Co., Ltd.	Chairman of the board	September 2007	September 2010	yes
Ge Di	Irico Group Electronics Co., Ltd.	Director of the Metal Components Department	March 2007	September 2010	yes
Ge Di	Irico Group Electronics Co., Ltd.	CEO assistant	December 2007	September 2010	yes

## Posts held in other units

Name	Name of other unit	Position held	Start of term	End of term	Compensation or allowance collected?
Xing Daoqin	Irico Group Corporation	General manager	July 2005	--	no
Guo Mengquan	Irico Group Corporation	Assistant general manager	March 2001	--	no
Guo Mengquan	Shaanxi Irico Electronics Glass Co., Ltd.	Chairman of the board	October 2006	October 2009	no
Zhang Shaowen	Irico Group Corporation	Assistant general manager	March 2001	--	no
Wang Qi	Irico Group Corporation	Assets and Finance Department director	November 2005	--	yes
Ge Di	Caiqin Electronic Devices Co., Ltd.	Chairman of the board	March 2007	March 2010	no
Ge Di	Irico Electronics Parts Co., Ltd.	Chairman of the board	March 2007	March 2010	no

## (III) Directors, supervisors, senior executives compensation

1. Decision-making process on compensation of directors, supervisors, and senior executives: For the annual compensation of the company's directors, supervisors, and senior executives, the base salary and annual salary are determined based on the company's manager salary management method provisions, and based on business performance and evaluation results. The base salary is paid monthly, and the annual salary is paid once based on the annual performance evaluation results.

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2. Basis of determination of compensation for directors, supervisors, and senior executives: With the approval of the company's shareholder meetings, the company pays an allowance of 30,000 yuan to each independent director every year, paid monthly. Also, for independent directors participating in board of directors and shareholder meetings, discharging their duties in accordance with the company's by-laws, or undertaking work for the company, the expenses incurred, including but not limited to transportation costs and accommodations, are paid by the company. Other than this, the company's independent directors receive no other benefits.

## 3. Directors and supervisors not collecting compensation or allowance from the company

Names of directors and supervisors not collecting compensation or allowance from the company	Compensation or allowance paid by shareholder's unit or other associated unit?
Xing Daoqin	yes
Guo Mengquan	yes
Zhang Shaowen	yes
Wang Ximin	yes
Ge Di	yes
Wang Qi	yes

## (IV) Changes in company directors, supervisors, and senior executives

Name	Position held	Reason for leaving
Ding Wenhui	director, general manager	Change of work
Ma Jianchao	director	Change of work
Tian Xiaohong	director	Change of work
Yu Min	director	Change of work
Yan Yueping	supervisor	Change of work
Jing Huiyong	assistant general manager	Change of work
Liu Zhenzhu	chief accountant	Change of work
Li Shimin	assistant general manager	Change of work
Liang Hongyan	assistant general manager	Change of work

## (V) Company staff

As of the end of the reporting period, the company employed 6,990 staff members, with 49 retired employees with expenses to be borne. The staff structure was as follows:

## 1. Specialty composition

Specialty category	Staff members
Production personnel	6,157
Sales personnel	36
Technical personnel	274
Financial personnel	22
Management personnel	151
Service personnel	82

## 2. Level of education

Education category	Number of people
Bachelor degree or above	307
Junior college	597
Technical secondary school	382
High school or below	5704

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## VI. Corporate governance structure

## (I) Corporate governance

The company is subject to standardized operation in strict accordance with the relevant provisions of the "Company Law", "Securities Law", "Code of Governance for Listed Companies", and "Corporate By-laws", and has established an excellent corporate governance structure. Its corporate governance situation is basically consistent with the requirements of the corporate governance documents for listed companies released by the China Securities Regulatory Commission.

To standardize the information disclosure acts of those with company and other information disclosure duties, information disclosure management was enhanced during the reporting period, ensuring the legitimate rights and interests of investors. The company revised its original "Information Disclosure Management Methods" in accordance with the requirements of the "Information disclosure management methods for listed companies" document released by the China Securities Regulatory Commission. The company revised its "Methods for managing the use of raised funds" based on the requirements of the China Securities Regulatory Commission's "Notice regarding the enhancement management of the use of raised funds for listed companies". In addition, to further improve the corporate governance structure, the company formulated an "independent director system", added a board of directors nominating committee, and drew up corporate governance documents such as "Board of directors nominating committee implementation rules", to further standardize corporate governance behaviors.

## 1. Shareholders and shareholder meetings

In accordance with the provisions of the "Corporate By-laws", shareholders enjoy equal rights in accordance with the shares held, and bear the corresponding duties. The convocation and voting procedures of the company's shareholder meetings are standardized, and all shareholder meetings are witnessed by lawyers. All the company's associated transactions are carried out in strict accordance with associated transaction agreements signed by the transaction parties, in fair, just, and open manner.

## 2. Controlling shareholders and listed companies

Separation and independence from the company's controlling shareholders is implemented in the five areas of business, personnel, assets, institutions, and finance. The company's board of directors and board of supervisors maintain independent operation, ensuring independence in the company's major decisions.

## 3. Directors and board of directors

The company's procedures for the election and hiring of directors are conducted in strict accordance with the provisions of the "Company Law" and "Corporate By-laws". The number of members and composition of the board of directors complies with the requirements of relevant laws and regulations. Three independent directors are employed for inclusion on the board of directors; independent directors account for one-third or more of the members of the board of directors. Rules of order for the board of directors have been established, and directors can execute their positions with due diligence and actively participate in board of directors meeting and shareholder meetings.

## 4. Supervisors and board of supervisors

The company has established rules of order for the board of supervisors, and the number of members and composition of the board of supervisors complies with the requirements of relevant regulations. Based on the provisions of the "Corporate By-laws" and "Board of Supervisors Rules of Order", the company's supervisors can conscientiously execute their duties and conduct effective supervision and examination of the company's compliance with regulations, associated transactions, and financial status, and the execution of duties by senior executives.

## 5. Information disclosure

The company has formulated "Information disclosure management methods", an "Internal reporting system for important information", and an "Investor relations management system". During the reporting period, the company strictly abided by the provisions of the laws and regulations of the China Securities Regulatory Commission and Shanghai Stock Exchange related to information disclosure, conscientiously executed its information disclosure duties, and was truthful, accurate, timely, and complete in its information disclosures.

## 6. Special corporate governance self-inspection activities

During the reporting period, the company actively held special corporate governance activities based on the requirements of the China Securities Regulatory Commission's "Notice regarding items related to enhanced special corporate governance activities for listed companies" and the requirements of the Shaanxi Securities Regulatory Administration's "Notice regarding the implementation of the China Securities Regulatory Commission's 'Notice regarding items related to enhanced special corporate governance activities for listed companies'". The situation was as follows:

(1) Based on the requirements of the "Notice", the company established a Special Working Group with the chairman of the board as the first person responsible, for the conscientious and meticulous deployment of this work. Relying upon the principle of seeking truth from facts, the company's Special Working Group compared relevant laws and administrative regulations such as the "Company Law" and "Securities Law" and internal regulations such as the "Corporate By-laws", and conducted a comprehensive, in-depth self-inspection of corporate governance such as the operation of the "three boards",

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internal control, and information disclosure.

(2) On 29 May 2007, the company held the twelfth meeting of the fifth board of directors. It deliberated upon and passed a "Self-inspection report and rectification plan regarding special corporate governance activities", which was examined and approved by the Shaanxi Regulatory Administration of the China Securities Regulatory Commission, and announced on 17 August 2007 in the "China Securities Journal", "Securities Times", and on the Shanghai Stock Exchange website.

(3) On 18 October 2007, Shaanxi Securities Regulatory Administration of the China Securities Regulatory Commission came to the company for an onsite inspection of the company's special governance and rectification situation. The Shaanxi Securities Regulatory Administration called together the company's directors, supervisors, and senior executives for a discussion, and to hear a report on the company's special corporate governance activities and its rectification situation. It consulted relevant materials such as the records of the company's three boards, the internal control system, financial accounting materials, and major investments and contracts, and conducted a comprehensive inspection of the corporate governance situation.

(4) On 29 October 2007, the company received "Letter on the supervision of the governance situation of Irico Display Devices Co., Ltd." (SZJH [2007] No. 243) from the Shaanxi Regulatory Administration of the China Securities Regulatory Commission, presenting new requirements and suggestions for the company's further enhancement and improvement of its governance structure.

(5) Rectification measures and situations for problems discovered during the special governance self-inspection activities and for problems raised during the onsite inspection by the supervision department:

On 29 May 2007 and 28 August 2007, the company held the twelfth meeting of the fifth board of directors and the 14th meeting of the fifth board of directors. They deliberated upon and passed related corporate governance systems, including revising the "Information disclosure management methods" and "System for the management of raised funds ". To optimize the composition of the board of directors and improve the corporate governance structure, the board added a board of directors nominating committee and elected and produced the committee members. In addition, based on the "Company Law", "Code of Governance for Listed Companies", "Corporate By-laws", and other related provisions, the board formulated "Detailed rules for board of directors nominating committee work". And based on the relevant provisions of the "Company Law", "Guiding opinion for the establishment of independent director systems by listed companies", "Provisions on enhancing the protection of public shareholders' equity", and "Corporate By-laws", the board drew up an "independent director system", to strengthen the duties of the independent directors and promote the standardized operation of the company. During these special corporate governance activities, under the supervision and guidance of relevant supervision departments, the company conducted a rigorous self-inspection and conscientious rectification. The company used these activities as a turning point, further improved the corporate governance structure, standardized associated transactions behaviors, enhanced the implementation of the internal control system, worked hard to raise the level of corporate governance, and promoted the company's healthy, sustained development.

#### (II) Execution of duties by independent directors

##### 1. Board of directors participation and attendance by independent directors

Independent director's name	Number of board of directors meetings participated in this year	Personally attended (number of times)	Attended by proxy (number of times)	Absences (number of times)
Zhao Shouguo	10	9	1	0
Zhang Tianxi	10	10	0	0
Liu Rulin	10	10	0	0

##### 2. Objections to relevant company items raised by independent directors

During the reporting period, the company's independent directors raised no objections to the company's board of directors proposals and other non-board of directors proposal items this year.

(III) Company's independence as relating to controlling shareholders in the areas of business, personnel, assets, institutions, and finance

1. Business aspect: The company's business is independent from the controlling shareholders. The company's production systems are entirely independent from the controlling shareholders. Regarding the power supply, associated transaction agreements are signed with controlling shareholders based on market prices. The company has independent purchasing and sales systems. During the reporting period, the company implemented an exchange of major assets plan, clarifying the industrial differentiation between the company and controlling shareholders and making the main business more prominent, with no horizontal competition between the company and controlling shareholders.

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2. Personnel aspect: All of the company's personnel take part in a labor contract system, and the company is independent from controlling shareholders in the areas of labor, human resources, and wage management. The company's general manager is employed full-time, and the general manager and other senior executives receive no pay from controlling shareholders' units. During the reporting period, following the company's exchange of assets, relevant personnel dissolved their labor contracts with the original units and signed labor contracts with the new units under the principles of voluntary negotiation and equitable distribution.

3. Assets aspect: This company's assets are independent and complete, the ownership of land use rights, housing property and industrial property rights, and trademarks is clear, and property rights are distinct. This company's controlling shareholder and affiliated subsidiaries signed agreements for the use of trademark licenses and agreements for housing property and land leasing and comprehensive services, and executed the necessary approval procedures.

4. Institutions aspect: The company's production operations and administrative management are entirely independent from its controlling shareholders, and there is no direct or indirect interference by controlling shareholders in this company's establishment of internal institutions.

5. Finance aspect: The company has established independent financial accounting departments, has set up an independent accounting system and financial management system, has independent bank accounts, and independently pays taxes according to law.

(IV) Senior executives evaluation and incentives

The company performs monthly and annual evaluations of senior executives based on business performance and their execution of duties. The monthly evaluations use the KPI index as the basis of evaluation. During annual evaluations, senior executives report on their work to the board of directors. The evaluation results serve as the basis for their salaries and promotions. The company will work to further establish and improve the performance evaluations standards and related systems for directors, supervisors, and senior executives.

(V) Company's establishment of a sound internal control system

In order to standardize the company's internal control, enhance its internal management, ensure that all items of business are carried out in a regular, standardized manner, ensure that the company's assets are secure and complete, guard against acts of fraud and corruption, and achieve the company's operation and management goals, company has established a fairly complete, effective, sound internal control system in accordance with the provisions of relevant national laws and regulations, based on the company's asset structure and business practices, and in keeping with its business development and operations and management experience.

The company's main internal control system includes: corporate by-laws and a "three boards" system, an information disclosure management system, job responsibility standards, a financial control system, a labor and human resources distribution management system, a quality management system, a device and spare parts management system, and business systems for production management, sales management, and information management.

The company's relatively complete, effective, sound internal control system guarantees the company's performance of regular production operating activities, and achieves the goal of effectively controlling business risk. In the future, the company will further revise and improve its internal control system based on the actual demands of production operation and corporate development, adapting the internal control system to corporate development.

(VI) Company's disclosure of the board of directors' self-assessment report on the company's internal control and the verification and evaluation opinions of auditing institutions

This company does not disclose the board of directors' self-assessment report on the company's internal control and the verification and evaluation opinions of auditing institutions.

VII. Introduction to shareholder meetings

(I) Annual shareholder meeting

On 27 June 2007, the company held the 15th (2006) annual shareholder meeting. Its resolutions were announced and published in the 28 June 2007 issues of the "China Securities Journal" and "Securities Times".

(II) Extraordinary shareholder meetings

On 29 November 2007, the company held the first extraordinary shareholder meeting of 2007. Its resolutions were announced and published in the 30 November 2007 issues of the "China Securities Journal" and "Securities Times".



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## VIII. Board of directors report

## I. Discussion and analysis of management

## (I) Review of the company's operation during the reporting period

## 1. Overall operation during the reporting period

This company's main business is the production, development, and management of color picture tubes. With breakthroughs in flat-screen TV technologies, the color picture tube television market share has exhibited a falling trend, and the color tube sector has been influenced accordingly. Facing this increasingly grim situation, the company is persisting in implementing a business development approach of "becoming stronger in color tubes and innovating the industry"; actively advancing the strategies of being driven by marketing, being led by overall costs, and being supported by new technologies; developing management innovations and technological innovations, accelerating the research and development of new products, optimizing production flows, and expanding product sales. Given the trend of the continued deterioration of the color tube sector's business environment, and while countering grave difficulties such as the drop in color tube prices and the sector's overall drop in sales, the company achieved a fairly good business performance compared to others in the domestic sector.

In 2007, company produced a total of 7,807,300 color picture tubes, for an increase of 8.92% compared to the previous year; it sold 7,228,800 color tubes, for an increase of 5.22% compared to the previous year, including the export of 1,227,800 units, for an increase of 4.95% compared to the previous year. During the reporting period, despite the rise in color tube sales compared to the previous year, due to the considerable drop in prices of the company's main products, there was a drop in operating revenue and the gross profit margin, and there was a considerable drop in all main financial indices compared to the previous year. 2007 saw operating revenue of 1,705,696,100 yuan, for a decline of 17.48% compared to the previous year; operating profits of -28,948,700 yuan, for a decline of 287.74% compared to the previous year; and net profits attributable to parent company shareholders of -38,433,600 yuan.

During the reporting period, to clarify industrial differentiation and highlight the company's main business, the company carried out work on the exchange and consolidation of major assets. Following the exchange of assets, the company will focus on the research and development, production, and sale of various display devices, including CRT, concentrating its energy on strengthening its main business. Following this exchange of assets, the company's color tube production lines were increased from 4 to 8, its variety of products was enriched (capable of producing a variety of color picture tubes, such as 37cm, 40cm, 54cm, 64cm, and 74cm), and its production capacity rose from its original 7,500,000 units to 16,000,000 units, to become China's largest manufacturer of color picture tubes and the third strongest in the global color tube sector. The large-scale increase in production capacity and improvement of the product structure has also solidified the company's domestic markets and has established a solid foundation for expansion into international markets.

## 2. The company's main business and operation status

## (1) Table of main business by sector and product

				Unit: yuan	Currency: RMB	
Sub-sector or product category	Operating revenue	Operating costs	Operating profit margin (%)	Change in operating revenue from previous year (%)	Change in operating costs from previous year (%)	Change in operating profit margin from previous year
Color picture tubes	1,615,050,605.77	1,543,352,266.60	4.44%	-11.05%	-4.85%	Decrease of 623 percentage points
Deflection coils	82,006,665.72	69,794,202.78	14.89%	-66.59%	-70.20%	Increase of 10.31 percentage points

## (2) Main business by region

(2) Main Subordinate Region

		Unit: 10,000 yuan	Currency: RMB
Region	Operating revenue	Change in operating revenue from previous year (%)	
Southwest region	28,167.05	-12.66%	
East China region	23,801.70	-18.82%	
South China region	81,988.86	-9.75%	
Northwest and other regions	7,256.99	-63.37%	
Overseas	29,355.01	-13.41%	

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## 3. Main suppliers and customers

Unit: yuan Currency: RMB

Total purchase amount of top five suppliers	1,063,503,928.97	Proportion of total purchases	69.62%
Total sales amount of top five customers	1,170,692,917.98	Proportion of total sales	68.63%

## 4. Changes in company's asset and profit structure

1) Explanation of major changes in the company's asset and liability structure at the end of the reporting period

Unit: yuan Currency: RMB

Item	2007		2006		Change from previous year
	Amount	Proportion of total assets (%)	Amount	Proportion of total assets (%)	
Accounts receivable	665,112,104.96	32.56%	868,277,329.30	40.44%	Down 7.88%
Inventory	264,454,203.79	12.95%	183,667,047.92	8.55%	Up 4.40%
Investment real estate	4,696,564.26	0.23%	4,914,972.33	0.23%	--
Long-term equity investment	24,060,000.00	1.18%	133,088,165.45	6.20%	Down 5.02%
Fixed assets	900,177,421.85	44.07%	786,421,766.38	36.63%	Up 7.44%
Construction in progress	3,516,591.17	0.17%	2,005,222.00	0.09%	Up 0.08%
Intangible assets	22,538,690.46	1.10%	41,589,054.00	1.94%	Down 0.84%
Short-term loans	314,000,000.00	15.37%	300,000,000.00	13.97%	Up 1.40%
Total assets	2,042,414,249.22	100.00%	2,146,988,770.66	100.00%	--

(1) The main reason for the drop in accounts receivable was a drop in notes receivable.

(2) The main reason for the rise in inventory was a rise in stock commodities.

(3) The main reason for the drop in long-term equity investment was the company's implementation of assets reorganization during the reporting period, transferring all equity in Xianyang Irico Digital Display Co., Ltd. and Xi'an New Era Club Co., Ltd. to Irico Group Corporation.

(4) The main reason for the rise in fixed assets was the company's implementation of assets reorganization during the reporting period, purchasing equipment such as color tube production lines from Irico Group Electronics Co., Ltd.

(5) The main reason for the rise in construction in progress was the technical upgrades for this period were not rolled into fixed assets.

(6) The main reason for the drop in intangible assets was the company's transfer of all equity in Xi'an Irico Zixun Co., Ltd. to controlling shareholder Irico Electronics during the reporting period, which was not included in the consolidated financial statements for the second half of 2007, and the rolling out of its land use rights resulted in a drop in this company's intangible assets.

2) Explanation of changes in the company's expense structure during the reporting period

Unit: yuan Currency: RMB

Item	2007	2006	Change (%)
Sales expenses	75,909,007.24	77,592,062.51	-2.17%
Management expenses	36,753,935.60	43,884,420.65	-16.25%
Finance expenses	19,948,968.22	18,749,015.89	6.40%

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(1) The main reason for the drop in sales expenses from the previous year was that changes in this year's sales regions led to a drop in transportation expenses.

(2) The main reason for the large drop in management expenses from the previous year was that a drop in operating revenue led to a drop in trademark use expenses and flood protection funds, and there was a drop in severance pay.

(3) The main reason for the rise in financial expenses from the previous year was a rise in foreign exchange losses.

## 5. Analysis of the company's cash flow

		Unit: yuan		Currency: RMB	
Item	2007	2006	Change (%)		
I. Cash flow from investing activities					
Cash inflow sub-total	1,100,704,512.92	1,254,672,375.21			-12.27%
Cash outflow sub-total	1,067,151,800.41	1,215,313,044.00			-12.19%
Net cash flow from operating activities	33,552,712.51	39,359,331.21			-14.75%
II. Cash flow from investing activities					
Cash inflow sub-total	-10,330,363.01	2,232,643.00			-562.70%
Cash outflow sub-total	15,950,090.37	4,493,218.00			254.98%
Net cash flow from investing activities	-26,280,453.38	-2,260,575.00			-1062.56%
III. Cash flow from financing activities					
Cash inflow sub-total	338,000,000.00	300,000,000.00			12.67%
Cash outflow sub-total	360,979,452.50	402,924,285.00			-10.41%
III. Net cash flow from financing activities	-22,979,452.50	-102,924,285.00			77.67%
IV. Net increase in cash and cash equivalents	-16,898,188.42	-65,825,528.79			74.33%

(1) The main reason for the drop in net cash flow from operating activities from the previous year was a drop in main business revenue.

(2) The main reason for the drop in net cash flow from investing activities from the previous year was that equity in Irico Zixun was transferred to the parent company Irico Electronics during this reporting period, and it was not included in the company's consolidated financial statements, leading to a drop in "Net cash receipt from disposal of subsidiaries and other business units". It was also due to a rise in cash paid to acquire fixed assets from the previous year.

(3) The main reason for the rise in net cash flow from financing activities from the previous year was the increase of 38,000,000 yuan in cash from short-term loans; the decrease of 36,000,000 yuan in cash paid for compensation of short-term loans; and the drop in compensation interest.

## 6. Operation and performance analysis of company's main holding companies and equity participation companies

		Unit: 10,000 yuan		Currency: RMB	
Company name	Main products and services	Registered capital	Scale of assets	Net assets	Net profit
Xi'an Irico Zixun Co., Ltd.	Production, development, and sale of display parts and electronic information products	13,000	21,972.84	15,927.48	864.77
Xi'an Caihui Display Technology Co., Ltd.	Research and development, manufacture, and sale of color tubes and paired products for color display devices	1,000	5,936.88	857.1	-95.98
Xianyang Irico Digital Display Co., Ltd.	Production of color tubes for jumbotrons	65,000	18,034.00	17,409.47	-1,674.09
Xi'an New Era International Club Co., Ltd.	Dining and entertainment services	4,800	5,067.14	3,687.83	-219.40

Note: During the reporting period, to boost the quality of the company's assets and optimize its business structure, the company implemented an exchange of major assets plan, wherein the company's 49% equity in Xianyang Irico Digital Display Co., Ltd. and its 41.67% equity in Xi'an New Era International Club Co., Ltd. were transferred to this company's actual controlling shareholder, Irico Group Corporation. This company's 55% equity in Xi'an Irico Zixun Co., Ltd. was transferred to this company's controlling shareholder, Irico Group Electronics Co., Ltd. These equity transfers resulted in equity transfer gains of 28,070,000 yuan for the company.



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## 7. Technological innovations, energy conservation, and emissions reduction during the reporting period

In 2007, the company established a total of 175 technical advance projects, including new anti-explosion steel strip factory confirmations, 64cmPF deflection coil mass production applications, and lightweight deflection coil improvements. During the reporting period, it completed 170 of the planned projects, for a completion rate of 97%, and 144 batch application projects, achieving economic benefits of roughly 116,630,000 yuan.

The company has always given great importance to technological innovation work, actively implementing technological support strategies, and carrying out scientific time management, Kanban management, research and development process reengineering, and project portfolio management. It devotes all its energy to advancing the research and development of new products, and its overall research and development capacity has constantly risen. By adopting the continuous optimization of existing products and the development of new products, it has improved its product structure, lowered product costs, boosted product quality, and vastly strengthened its market share, including the successful research and development of the 61cm WPFUSCPT tube, boosting the company's core competitiveness and solidifying its position in the industry.

In 2007, the company launched circular economy work, focusing on energy conservation and reduced consumption. Through technological innovations, it cut down on power consumption and lowered product power costs. Based on plans, it initiated 23 projects and completed 22, generating gains of 3,040,000 yuan over the year, and energy consumption per unit product dropped 14%. In addition to achieving resource conservation, this resulted in a favorable rise in enterprise benefits, thereby achieving the unification of social benefits with business economic benefits and the harmonious unification of the enterprise's social responsibilities with profit-making responsibilities.

## (II) Outlook for the company's future development

## 1. Development trends for the company's sector and the market competition structure facing the company

In 2007, adjustments to the display device industrial structure continued to be made on a global scale, a liquid crystal display (LCD) televisions experienced a considerable boom. During the reporting period, there were 107 million color picture tube (CRT) television shipments worldwide, accounting for 54% of total television shipments worldwide. Mainland China is the world's largest base for color tube production. During the reporting period, total shipments for Chinese color tube enterprises numbered 52,580,000, and it is expected that by 2010, Chinese color tube enterprises' share of total global shipments will rise further. The technological advances brought about by the ultra-thin, flat, digitized development of color tubes have further strengthened the price/performance ratio of these products, causing demand in certain color tube market segments to remain powerful.

## 2. Opportunities and challenges for the company's future development

Looking forward to 2008, the company believes that despite the relatively rapid development of flat-screen TVs at the present moment, in terms of technical performance, color tube televisions are better than flat-screen TVs in characteristics such as picture contrast and dynamic clarity, and they feature an excellent price/performance ratio. Therefore, color tube televisions still possess strong vitality. Due to the immense base number of the CRT television market and the imbalance in the economic levels of different regions and strata around the world, CRT televisions will remain an important component of the global television market for some time to come. Chinese enterprises have already accumulated vast experience in color tube production, and they have created a complete industrial chain. The competitive advantage of outstanding enterprises in the color tube sector will called into play. First, color tubes still possess development potential in some market segments. Second, with China's continuous, in-depth implementation of the policies of building a new socialist countryside (e.g.: the policy of home appliances to the countryside), in the villages, towns, and vast rural market, color tube televisions will have an absolute advantage and enormous market space. Third, China's color tube production enterprises will use their advantages in terms of scale, low costs, and wide variety to constantly expand into overseas markets, and color tube televisions will have new market opportunities in the vast developing nations. Therefore, we believe that for competitive, innovative color tube enterprises of scale, sound operation and excellent development are still possible.

The company has implemented a reorganization of major assets and will focus on the production, sale, and research and development of display devices. This will include the current color picture tube business, and it will also include new flat display device business to be developed in the future. Following reorganization, the scale of the company's color tube production will be greatly increased, and the variety of products will be more complete, making it China's largest color picture tube specialty manufacturer. As a guiding enterprise in the color tube sector, the company will continue to make "becoming

stronger in color tubes" an important strategy, will actively seize the market opportunities of "home appliances to the countryside", will powerfully expand its markets, will actively advance the research and development of new products, will make full use of the company's advantages in terms of scale, cost, pairing, and technological innovation, will continue to employ the proactive and effective series of business strategies of being led by costs, being driven by marketing, and being supported by new technologies, and will further heighten its competitiveness in the color tube business.

With the constant development of new display technologies, the display device product structure is exhibiting diversification, forming a market structure with the simultaneous development of CRT, LCD, and plasma products. Based on the company's future development plan, the company will continuously increase the intensity of advancing industrial upgrading, making full use of its advantages, choosing the right time to enter the arena of second generation new display devices such as TFT-LCD. In addition, the company will place great importance on the development of third generation display technologies such as OLED (organic electroluminescence displays), utilize the support of government policies and the research and development platforms of colleges and universities, and advance its industrial development, making the company more competitive in the Chinese display devices sector.

### 3. Business plan for the new year

The company's main business goals for 2008: color tube sales of 15,380,000, and sales revenue of 3.25 billion yuan.

The main measures to be adopted to achieve this plan are as follows:

(1) Extensive research, formulating and improving the company's mid- and long-term strategy development plans, clarifying objectives and tasks, and using scientific planning to guide the company's construction and development.

(2) Advancing implemented precision management, infusing all items of work with precision management concepts, and comprehensively raising the level of the company's management.

(3) Making full use of the synergistic effects of "sales, production, supply, and research", using marketing as a guiding force, continuing to implement the strategy of being driven by marketing, seizing strategic customers, cultivating long-term customers, spurring mid-size and small customers, pursuing capacity utilization as well as market share, and more importantly, pursuing return on sales.

(4) Continuing to move forward with the strategy of being led by overall costs, using "lowering costs in a multi-faceted, continuous fashion" as the focus of work, while also focusing on product quality, meeting user demands, and comprehensively boosting the market competitiveness and profitability of products.

(5) Consolidating purchasing resources, and undertaking work that revolves around lowering costs while ensuring the supporting supply of materials. Enhancing comprehensive budget management, controlling financial risk, and boosting asset quality; boosting the comprehensive budget awareness of the entire staff by gradually improving budget management systems. Establishing dynamic analysis and prediction mechanisms, and focusing on process control. Properly controlling accounts receivable and inventory numbers, ensuring fund security, lowering financial expenses, and reducing RMB exchange losses. Conscientiously advancing the implementation and execution of new accounting standards, and achieving the smooth, steady transition between old and new accounting standards.

(6) Actively advancing the work of researching and developing new products, constantly optimizing the product structure, improving product performance, providing competitiveness for marketing, and providing production with cost margins and quality margins.

### 4. Plan for the demand and use of funds to achieve future plans and development strategies

Based on the company's production operation plan for the new year, the demand for funds for the company's day-to-day operations will mainly be addressed through the company's own funds and bank credit. In 2008, bank loans are expected to be around 300 million yuan RMB. The company will also use a variety of methods to raise funds based on future business development.

5. Risk factors having an adverse effect on achieving the company's future development strategies and objectives

(1) Sector risk

With the blow dealt by the rapid growth of flat-screen display devices, the entire color tube sector is exhibiting a trend of gradual decline, and the market share for color tube products is clearly falling.

(2) Business risk

With the rise in prices of certain upstream raw materials and the drop in prices of color tube products, the company's business could face considerable pressure. In addition, with the growth of the company's product exports, foreign exchange risk tied to RMB appreciation could have an adverse effect on the company's business performance.

The company will adopt the following measures to counter these risks:

Further deepening the company's business strategy of "becoming stronger in color tubes and innovating the industry", revolving around strengthening color tube earnings, making business transformations as a breakthrough, and advancing the three major strategies of being driven by marketing, being led by costs, and being supported by new technologies.

(1) Steadily and painstakingly boosting the company's position in the sector and overall competitiveness.

Further deepening the company's business strategy of "becoming stronger in color tubes and innovating the industry", continuing to strengthen the main business, making full use of advantages in terms of scale, costs, and internal pairing, and boosting the company's position in the sector, domestically and internationally, and its overall competitiveness and profitability.

(2) Actively cultivating new industries, and adding new profit growth points.

While strengthening color tube business, actively exploring new areas of business, and entering new display device industries at the appropriate time.

II. Company investment

1. Use of raised funds

During the reporting period, the company raised no funds, nor did it use funds raised in previous periods during this period.

2. Non-raised capital projects

During the reporting period, the company had no non-raised capital investment projects.

III. Causes and impact of changes of the company's accounting policies and estimates or corrections of major accounting errors

1. Impact of changes in major accounting policies and estimates

This company originally implemented the original enterprise accounting standards and system issued prior to 2006. From 1 January 2007, it implemented enterprise accounting standards. Beginning on this day, the company recognized, measured, and reported its transactions and items according to the provisions of the new enterprise accounting standards. This company employed the following methods to handle accounting policy changes resulting from the initial execution of the new enterprise accounting standards.

Major accounting policy changes employing the retroactive adjustment approach for accounting

(1) Long-term equity investment: Prior to implementing the new enterprise accounting standards, the long-term equity investment of subsidiaries was accounted by the equity method in the parent company's statements. After implementing the new accounting standards, the long-term equity investment of subsidiaries was accounted by the cost method, and when preparing consolidated financial statements, the equity method was used to make adjustments. On the first day of implementation, retroactive adjustments were made to the long-term equity investments of subsidiaries in the parent company statements, and these subsidiaries were viewed as employing cost method accounting from the beginning.

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(2) Income tax: Prior to implementing the new enterprise accounting standards, income tax accounting employed the taxes payable method. After implementing the new enterprise accounting standards, income tax accounting employed the balance sheet liability method.

(3) Income-related government subsidies: Prior to implementing the new enterprise accounting standards, income-related government subsidies were included as subsidy revenue at the time of their actual receipt. After implementing the new enterprise accounting standards, these income-related government subsidies were recognized when the attached conditions were met and they could be received.

For these accounting policy changes, this company made retroactive adjustments in accordance with "Enterprise accounting standard No. 38 -- Initial implementation of enterprise accounting standards" and its related provisions, and reformulated its financial statements. The influence of these accounting policy changes on the 1 January 2006 and 31 December 2006 consolidations and the parent company's shareholders' equity and 2006 net profits is as shown below:

## 1) Influence on 1 January 2006 consolidated shareholders' equity

Item	Undistributed profits	Surplus reserves	Capital surplus	Minority shareholders' equity	Total
(1) Long-term equity investment changed from equity method to cost method	1,241,357	-1,241,357	0.00	0.00	0.00
(2) Minority shareholders' equity reported as shareholders' equity	0.00	0.00	0.00	68,703,815	68,703,815
(3) Income tax	131,424	0.00	0.00	107,529	238,953
Total	1,372,781	-1,241,357	0.00	68,811,344	68,942,768

## 2) Influence on 2006 consolidated net profit

Item	Amount
(1) Income tax	224,086
(2) Early retirement benefits (including subsidiaries included in consolidated)	-5,460,549
(3) Minority shareholders profit and loss reported as net profit (not including termination benefits)	-101,324
Total	-5,337,787

## 3) Influence on 31 December 2006 consolidated shareholders' equity

Item	Undistributed profits	Surplus reserves	Capital surplus	Minority shareholders' equity	Total
(1) Long-term equity investment changed from equity method to cost method	1,241,357	-1,241,357	0.00	0.00	0.00
(2) Early retirement benefits	-4,586,170	0.00	0.00	-874,380	-5,460,550
(3) Minority shareholders' equity reported as shareholders' equity	0.00	0.00	0.00	68,602,492	68,602,492
(4) Recovery of surplus reserves	334,469	-334,469	0.00	0.00	0.00
(5) Income tax	408,975	0.00	0.00	54,064	463,039
Total	-2,601,369	-1,575,826	0.00	67,782,176	63,604,981

## 4) Influence on 1 January 2006 parent company shareholders' equity

Item	Undistributed profits	Surplus reserves	Capital surplus	Total
Long-term equity investment changed from equity method to cost method	-10,711,508	-1,241,357	0.00	-11,952,865

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## 5) Influence on parent company's 2006 net profits

Item	Amount
(1) Early retirement benefits	-3,174,589
(2) Investment gains	-170,102
Total	-3,344,691

## 6) Influence on 31 December 2006 parent company shareholders' equity

Item	Undistributed profits	Surplus reserves	Capital surplus	Total
(1) Recovery of surplus reserves	334,469	-334,469	0.00	0.00
(2) Early retirement benefits	-3,174,589			-3,174,589
(3) Long-term equity investment changed from equity method to cost method	-10,881,610	-1,241,357	0.00	-12,122,967
Total	-13,721,730	-1,575,826	0.00	-15,297,556

Major accounting policy changes employing the prospective application approach for accounting

In addition to the preceding major accounting policy changes employing the retroactive adjustment approach for accounting, this company also experienced the following main accounting policy changes due to the initial implementation of the new accounting standards, which were accounted using the prospective application method. They specifically include:

(1) Impairment of non-liquid assets: Prior to implementing the new enterprise accounting standards, if the company's non-liquid asset impairment losses recognized in previous periods were recovered in later accounting periods, they were recovered and included in that period's profits and losses in accordance with the recovered amount, within a range not exceeding the previously recognized impairment loss amount. After implementing the new enterprise accounting standards, this company made a provision for diminution in value of non-liquid assets, and once the impairment loss of non-liquid assets was recognized, recovery was not conducted in later accounting periods, with the exception of situations such as asset disposal, sales, and foreign investment.

(2) Employee benefits: Prior to implementing the new enterprise accounting standards, this company allotted employee benefits at a rate of 14% of total wages, and included them in that period's profits and losses. After implementing the new enterprise accounting standards, this company no longer allotted employee benefits at a rate of 14% of total wages. The company recognized payable employee salary (employee benefits) based on the actual situation and employee benefit plan, and included it in that period's profits and losses. For the first accounting period after the initial implementation, the difference between the payable employee salary (employee benefits) recognized according to the new enterprise accounting standards and the originally rolled in employee salary (employee benefits) is included in that period's profits and losses.

(3) Asset-related government subsidies: Prior to implementing the new enterprise accounting standards, the asset-related government subsidies received by this company were accounted as special payables, and after the relevant appropriation projects was completed, in cases of fixed assets or products left to the company according to provisions, the related special payables were included as capital surplus. In cases of non-asset appropriations requiring write-offs and assets handed in to the state according to provisions, after approval, the related asset items were written off. After implementing the new enterprise accounting standards, asset-related government subsidies were recognized as deferred gains, uniformly distributed over the useful life of the related assets, and included in that period's profits and losses. For income-related government subsidies, those used to compensate the company's related expenses or losses in later periods were recognized as deferred gains and were included in the profits and losses of the period in which the related expenses were recognized. Those used to compensate the company's previous related expenses or losses were directly included in the current period's profits and losses.

## 2. Correction of major accounting errors, and its impact

This company had no corrections of major accounting errors or impacts this year.



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## IV. Day-to-day work of board of directors

## 1. Board of directors meetings and content of resolutions

(1) On 20 March 2007, the company held the ninth (extraordinary) meeting of the fifth board of directors. They deliberated upon and passed the "Proposal on the adjustment of the company's senior executives". The resolution was announced and published in the 22 March 2007 issues of the "China Securities Journal" and "Securities Times".

(2) On 11 April 2007, the company held the tenth meeting of the fifth board of directors. They deliberated upon and passed the "2006 General Manager's Work Report", "2006 Board of Directors Work Report", "2006 Final Accounting Report", "2006 Profit Distribution Plan", "Proposal on recovering certain inventory falling price reserves", "2006 Annual Report and Abstract", and "Proposal on holding the company's 15th (2006) shareholder meeting". The resolutions were announced and published in the 13 April 2007 issues of the "China Securities Journal" and "Securities Times".

(3) On 23 April 2007, the company held the eleventh meeting of the fifth board of directors. They deliberated upon and passed the company's "2007 First Quarter Report".

(4) On 29 May 2007, the company held the twelfth meeting of the fifth board of directors. They deliberated upon and passed the "Self-inspection report and rectification plan regarding special corporate governance activities", "Information disclosure management system", "Methods for managing the use of raised funds", "Proposal on changing accounting firms", "Proposal on changing the company's directors", and "Proposal on holding the company's 15th (2006) shareholder meeting". The resolutions were announced and published in the 30 May 2007 issues of the "China Securities Journal" and "Securities Times".

(5) On 26 July 2007, the company held the 13th meeting of the fifth board of directors. They deliberated upon and passed the company's "Proposal major asset reorganization and associated transactions", "Proposal on the transfer of Xianyang Irico Digital Display Co., Ltd. equity", "Proposal on the transfer of Xi'an New Era International Club Co., Ltd. equity", and "Proposal on newly added daily transaction items following the exchange of assets". The resolutions were announced and published in the 28 July 2007 issues of the "China Securities Journal" and "Securities Times".

(6) On 28 August 2007, the company held the 14th meeting of the fifth board of directors. They deliberated upon and passed the "2007 Semi-annual Report" and its abstract, the "Proposal on the by-election of members of the Board of Directors Strategy Committee", "Proposal on establishing a Board of Directors Nominating Committee", and "Detailed work rules for the Board of Directors Nominating Committee". The resolutions were announced and published in the 30 August 2007 issues of the "China Securities Journal" and "Securities Times".

(7) On 24 October 2007, the company held the 15th meeting of the fifth board of directors. They deliberated upon and passed the company's "2007 Third Quarter Report".

(8) On 2 November 2007, the company held the 16th (extraordinary) meeting of the fifth board of directors. They deliberated upon and passed the "Special corporate governance activities rectification report".

(9) On 13 November 2007, the company held the 17th meeting of the fifth board of directors. They deliberated upon and passed the "Proposal on changing the company's directors", "Proposal on revising the Corporate By-laws", "Proposal on the major exchange of assets and associated transactions", and "Irico Display Devices Co., Ltd. major exchange of assets and associated transactions report" (revised). They decided on matters related to the company's first extraordinary shareholder meeting held in 2007. The resolutions were announced and published in the 14 November 2007 issues of the "China Securities Journal" and "Securities Times".

(10) On 29 November 2007, the company held the 18th meeting of the fifth board of directors. They deliberated upon and passed the "Proposal on re-electing the company's chairman of the board", "Proposal on electing the company's deputy chairman of the board", "Proposal on re-hiring the company's general manager", "Proposal on re-hiring the company's assistant general manager and chief financial officer", "Proposal on adjusting the members of the company's various specialized committees of the board of directors", and "Proposal on adjusting the company's organizational institutions". The resolutions were announced and published in the 30 November 2007 issues of the "China Securities Journal" and "Securities Times".

## 2. Board of directors execution of shareholder meeting resolutions

During the reporting period, the company's board of directors strictly followed the resolutions and authorizations from the shareholder meetings, and conscientiously executed all resolution passed by the shareholder meetings, based on the relevant laws and regulations such as the "Company Law" and "Securities Law" and the requirements of the "Corporate By-laws".

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On 29 November 2007, the company's first extraordinary shareholder meeting of 2007 deliberated upon and passed various proposals on the company's major assets reorganization and associated transactions. All business assets involved in this exchange of assets have been handed over; procedures for the industrial and commercial registration of changes related to the equity transfer have been completed.

3. Summary report on the execution of duties by the audit committee under the board of directors  
Based on the requirements of the China Securities Regulatory Commission's "Notice regarding properly undertaking 2007 annual reports and related work for listed companies" and the Shanghai Stock Exchange's "Notice on properly undertaking 2007 annual report work for listed companies", the company drew up an "Annual report work regulations for the board of directors audit committee". Based on the provisions of the annual report work regulations, the audit committee executed its supervision, oversight, and examination duties with regard to the company's 2007 audit work.

(1) The audit committee communicated with the company's audit institution, ShineWing Certified Public Accountants, as necessary, and settled on a plan and timeline for the company's 2007 audit work.

(2) Prior to the arrival of the annual audit's certified public accountants, the audit committee conscientiously reviewed the company's 2007 annual financial statements. It found that the company's financial statements had been prepared in accordance with the company's accounting policies, the accounting policies had been appropriately applied, the accounting estimates were reasonable, and they complied with the new enterprise accounting standards, the enterprise accounting system, and the relevant provisions released by the Ministry of Finance; the units and statement content incorporated into the consolidation of the company's financial statements was complete, and the foundation for statement consolidation was accurate; and the company's financial statements were objective and truthfully reflected the financial status and business performance of the company, and the committee formulated a written opinion.

(3) After the arrival of the annual audit's certified public accountants, the audit committee stayed in communication with them. Twice it urged the annual audit's certified public accountants, in written form, to submit the audit report at the predetermined time, while ensuring the quality of the audit, to ensure the orderly execution and timely completion of the company's audit and annual report preparation work.

(4) After the annual audit's certified public accountants issued a preliminary audit opinion, the audit committee again reviewed the company's 2007 financial statements. We found that there were no major differences between the financial statements prepared by the company before the audit and the financial statements after the audit; the audited financial statements complied with the relevant provisions of the new enterprise accounting standards, the financial data was accurate, there were no major omissions, and they truthfully reflected the operating status of the company; the audit evidence obtained by the accounting firm was complete and appropriate; and the audit opinion issued by the accounting firm regarding the financial status, business performance, and cash flow as reflected by the company's financial statements was objective and just. A written opinion was drawn up.

(5) On 22 April 2008, the audit committee held its first meeting. It deliberated upon and passed the company's "2007 Annual Financial Report", "Summary report on 2007 accounting firm audit work", and "Proposal on hiring an accounting firm".

4. Summary report on the execution of duties by the salary committee under the board of directors  
At the end of the reporting period, the board of directors' salary and evaluation committee conducted an examination of the execution of duties by the directors, supervisors, and senior executives based on the company's salary system and achievement of the 2007 production operation objectives, and in accordance with the company's performance evaluation system. We found that the salaries issued to the company's directors, supervisors, and senior executives conformed to the company's salary system and performance evaluation standards, and the salary data disclosed by the Annual Report was truthful and accurate.

#### V. Profit distribution or capital surplus transfer plan

Having been audited by ShineWing Certified Public Accountants Co., Ltd., the company had a net profit of -28,433,600 yuan in 2007. Because the company had an operating loss this year, the board of directors proposed not distributing profits this year or transferring capital surplus to share capital. This profit distribution plan still needs to be submitted to the company's 2007 annual shareholder meeting for approval.

#### VI. Other disclosure items

The company has chosen to use the "China Securities Journal" and "Securities Times" in 2008 for information disclosure. No change is being made.

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## IX. Board of supervisors report

## (I) Work of the board of supervisors

1. The seventh meeting of the fifth board of supervisors was held on 11 April 2007. They deliberated upon and passed the "2006 Board of Supervisors Work Report", "2006 Final Accounting Report", "Proposal on recovering inventory falling price reserves", "2006 Annual Report Text and Abstract", and "Proposal on changing supervisors".

2. The eighth meeting of the fifth board of supervisors was held on 23 April 2007. They deliberated upon and passed the company's "2007 First Quarter Report".

3. The ninth meeting of the fifth board of supervisors was held on 29 May 2007. They deliberated upon and passed the "Proposal on changing accounting firms".

4. The tenth meeting of the fifth board of supervisors was held on 26 July 2007. They reviewed the company's "Proposal on major assets reorganization and associated transactions", "Proposal on the transfer of Xianyang Irico Digital Display Co., Ltd. equity", "Proposal on the transfer of Xi'an New Era International Club Co., Ltd. equity", and "Proposal on newly added daily transaction items following the major exchange of assets". All members of the board of supervisors attended the 13th meeting of the company's fifth board of directors, examined document relating to the company's exchange of assets, equity transfers, and associated transactions, and released a board of supervisors' opinion.

5. The eleventh meeting of the fifth board of supervisors was held on 28 August 2007. They deliberated upon and passed the "2007 Corporate Semi-annual Report" and its abstract.

6. The twelfth meeting of the fifth board of supervisors was held on 24 October 2007. They deliberated upon and passed the company's "2007 Third Quarter Report".

## (II) Independent opinion of the board of supervisors on the company's compliance with regulations

The board of supervisors found that, during the reporting period, the company was able to undertake management according to law and operations according to law and run regularly, in accordance with the requirements of laws, regulations, and systems such as the "Company Law", "Stock Listing Rules of the Shanghai Stock Exchange", and "Code of Corporate Governance for Listed Companies"; major decisions were well-founded, and decision-making procedures were legal and valid; shareholder meeting resolutions were able to be conscientiously implemented; the internal control system was quite good, and there were no acts in which mistaken decisions infringed upon the rights and interests of shareholders, company benefits, or employee rights and interests. There were no acts in violation of laws, regulations, or company by-laws by the company's directors and managers, harming the company or shareholders, in the execution of their company positions.

## (III) Independent opinion of the board of supervisors on an inspection of the company's financial situation

Through channels such as reviews of the company's financial reports and inquiries of relevant personnel in the Finance Department, the board of supervisors learned about, examined, and supervised the financial status of the company, and found that the company's financial system is sound and its financial management is standard. No acts in violation of the financial management system were discovered. ShineWing Certified Public Accountants Co., Ltd. issued a standard unqualified audit report for the company's 2007 financial reports, objectively, justly, truthfully, and accurately reflecting the financial status and business performance of the company.

## (IV) Independent opinion of the board of supervisors on the company's major assets reorganization

The board of supervisors reviewed the company's "Proposal on the major exchange of assets and associated transactions" and related documents. It found that, with this exchange of assets, the company's product structure will become more complete, its production capacity will be notably expanded, the market share for its products will rise, and it can reduce the company's business risk and benefit the company's stable, sustained development, in keeping with the interests of all shareholders; the goal of this equity transfer is to boost the quality of the company's assets and optimize the company's business structure, with the company focusing its energy on strengthening its main business and solidifying and boosting the company's market position; the pricing policy for the associated transactions occurring with this exchange of assets complies with the principles of being fair and just, the transaction prices are fair, and the decision-making procedures for the associated transactions are in keeping with the provisions of the Corporate By-laws, with no harm to the interests of the company and non-associated shareholders.

## (V) Independent opinion of the board of supervisors on the company's associated transactions

The board of supervisors found that, during the reporting period, the company's associated transactions were able to be executed in strict accordance with the associated transaction agreements deliberated upon and passed by the board of directors and shareholder meeting, and complied with the principles of being fair and just; the decision-making procedures for the associated transactions were in keeping with the provisions of the Corporate By-laws, with no acts harming the interests of the company and non-associated shareholders.



## X. Important items

## (I) Major litigation and arbitration items

This company received a class action indictment from the United States California Northern District Court regarding the US company Crago and other similar companies, accusing 21 color tube manufacturers, including Irico Group Corporation and this company, of violating relevant US laws and conspiring to control the market, resulting in expenses paid by the plaintiff and the other class action plaintiffs exceeding the price as determined by market competition. Therefore, the plaintiffs called for their losses to be compensated in triple the amount. The United States California Northern District Court accepted this lawsuit on the basis of relevant legal provisions. This company's "Announcement regarding litigation" was published in the "China Securities Journal" and "Securities Times" on 31 January 2008.

Based on the indictment, the relevant departments of this company examined the sale of color tubes to the United States. According to the examination, from 1995 to today, this company has never marketed color tubes in the United States, and the company's initial determination is that this litigation item will not have a negative impact on the company's regular operating activities. Currently, this company is consulting with Irico Group Corporation on their response. This company's "Announcement regarding litigation developments" was published in the "China Securities Journal" and "Securities Times" on 26 February 2008.

## (II) Asset transaction items

## 1. Purchased assets

On 29 November 2007, this company purchased from Irico Group Electronics Co., Ltd., the company's controlling shareholder, business assets relating to the color tube operations of Color Tube Factory No. 1 under Irico Group Electronics Co., Ltd. This specifically included four color tube production lines, and technological research and development and other related assets (hereinafter abbreviated as "display tube business-related assets"). The basis for determining the price of this purchase was GYDZPBZ 2007 No. 63 "Assets assessment report" issued by Beijing Guoyou Dazheng Assets Assessment Co., Ltd. (the assessment base date was 30 June 2007), basing the transaction price on the assessed value recognized by both parties and the adjustment statement for the asset transfer date. The book value of this was 348,246,500 yuan, and its assessed value was 347,947,600 yuan. On 30 November 2007, the two transaction parties jointly inventoried the fixed asset equipment of Color Tube Factory No. 1 and signed a "Fixed asset equipment handover letter". As confirmed by both parties, there were a total of 2,844 fixed assets handed over, at a transaction price of RMB 327,782,300 yuan, and the book value of the inventory and other intangible assets handed over on the asset transfer date was 773,100,000 yuan. At present, the procedures relating to handing over these assets have been completed.

## 2. Sold assets

1) On 29 November 2007, this company transferred the business assets of a subordinate glassworks to its controlling shareholder Irico Group Electronics Co., Ltd. The basis for determining the price of this sale was GYDZPBZ [2007] No. 62 "Assets assessment report" issued by Beijing Guoyou Dazheng Assets Assessment Co., Ltd. (the assessment base date was 30 June 2007), basing the transaction price on the assessed value recognized by both parties and the adjustment statement for the asset transfer date. The book value of this asset was 66,600,700 yuan, and its assessed value was 126,740,300 yuan. On 30 November 2007, the two transaction parties jointly inventoried the business assets and fixed asset equipment of the glassworks and signed a "Fixed asset equipment handover letter". As confirmed by both parties, there were a total of 1,093 fixed assets handed over, at a transaction price of RMB 106,994,700 yuan, and the book value of the delivered inventory on the asset transfer date was 11,646,600 yuan. At present, the procedures relating to handing over these assets have been completed.

2) On 29 November 2007, this company's 55% equity in Xi'an Irico Zixun Co., Ltd. was transferred to this company's controlling shareholder, Irico Group Electronics Co., Ltd. The basis for determining the price of this sale was GYDZPBZ

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[2007] No. 65 "Assets assessment report" issued by Beijing Guoyou Dazheng Assets Assessment Co., Ltd. (the assessment base date was 30 June 2007), basing the transaction price on the assessed value recognized by both parties. As of the assessment base date, the book value of the net assets of Irico Zixun was 154,730,400 yuan, and its assessed value was 172,614,000 yuan. The corresponding value of the 55% equity was 94,937,700 yuan. At present, the procedures relating to equity re-registration have been completed. 3) On 29 November 2007, this company transferred 49% equity in Xianyang Irico Digital Display Co., Ltd. to the company's actual controlling shareholder, Irico Group Corporation. The basis for determining the price for this sale was GYDZPBZ [2007] No. 61 "Assets assessment report" issued by Beijing Guoyou Dazheng Assets Assessment Co., Ltd. (the assessment base date was 30 June 2007), basing the transaction price on the assessed value recognized by both parties. As of the assessment base date, the book value of the net assets of Irico Digital was 180,557,100 yuan, with an assessed value of 182,526,500 yuan. The corresponding value of the 49% equity was 89,438,000 yuan. At present, the procedures relating to equity re-registration have been completed.

4) On 29 November 2007, this company transferred 41.67% equity in Xi'an New Era International Club Co., Ltd. to its actual controlling shareholder, Irico Group Corporation. The basis for determining the price for this sale was GYDZPBZ [2007] No. 66 "Assets assessment report" issued by Beijing Guoyou Dazheng Assets Assessment Co., Ltd. (the assessment base date was 30 June 2007), basing the transaction price on the assessed value recognized by both parties. As of the assessment base date, the book value of the net assets of New Era Club was 36,483,900 yuan, with an assessed value of 75,379,900 yuan. The corresponding value of the 41.67% equity was 31,410,800 yuan. At present, the procedures relating to equity re-registration have been completed.

5) Impact of these purchased assets, sold assets, and equity on the company

Following the implementation of this assets reorganization, this company will focus on the production, sales, and research and development of a variety of display devices, giving more prominence to the company's main business, and the specialized division of labor will become more evident. The company will possess the largest scale for color picture tube production in the country, benefiting the effective lowering of production costs, and achieving the benefits of scale; it will benefit boosting the company's product quality and the upgrading and replacement of products; it will benefit accelerating the advancement of new products, boost the company's research and development efficiency, and quickly satisfy changes in the market and user demand; it will benefit strengthening the company's main business, raise the company's competitive position in the sector, strengthen the stability of the company's operations, and promote the company's sustainable operation.

6. The preceding purchased assets, sold assets, and equity items were published on 28 July 2007 in the "China Securities Journal" and "Securities Times"; the "Announcement regarding implementation of the major exchange of assets and associated transactions" was published on 29 February 2008 in the "China Securities Journal" and "Securities Times". The company hired the Beijing Jia Yuan Law Firm to issue a legal opinion on the implementation of this exchange of assets, which was carried on the Shanghai Stock Exchange website (www.sse.com.cn); the "Announcement regarding the implementation of the major exchange of assets and associated transactions" was published on 29 March 2008 in the "China Securities Journal" and "Securities Times".

(III) Company's major associated transactions items during the reporting period

1. Associated transactions related to day-to-day operations

(1) Major associated transactions for purchased goods and labor services

Unit: yuan Currency: RMB

Related party	Associated transaction	Amount of associated transaction	Percentage of similar transaction amounts (%)
Irico Group Electronics Co., Ltd.	purchase of raw materials	625,802,889.86	40.97
Xi'an Irico Zixun Co., Ltd.	purchase of raw materials	144,228,411.12	9.44

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Irico Color Picture Tube Central Plant	power and energy purchase	140,254,010.20	9.18
Xianyang Irico Electronics Parts Co., Ltd.	purchase of raw materials	94,342,387.20	6.18
Xianyang Irico Electronics Shade Mask Co., Ltd.	purchase of raw materials	58,876,230.59	3.85
Irico Group Labor Services Co.	purchase of raw materials	33,937,774.97	2.22
Shaanxi Irico Sanchan Corp.	purchase of raw materials	33,072,001.83	2.17
Shaanxi Irico Yingguang Materials Co., Ltd.	purchase of raw materials	20,599,252.40	1.35
Xianyang Cialian Packaging Materials Co., Ltd.	purchase of raw materials	17,869,032.35	1.17
Zhuhai Caizhu Industry Co., Ltd.	purchase of raw materials	7,591,863.00	0.50
Xianyang Caiqin Electronic Devices Co., Ltd.	purchase of raw materials	5,197,979.01	0.34
Kunshan Irico Industry Co., Ltd.	purchase of raw materials	2,480,460.72	0.16
Xianyang Irico Packaging Tape Co., Ltd.	purchase of raw materials	2,299,571.79	0.15

(2) Major associated transactions for sold goods and provided labor services

		Unit: yuan	Currency: RMB
Related party	Associated transaction	Amount of associated transaction	Percentage of similar transaction amounts (%)
Irico Group Electronics Co., Ltd.	sale of products	77,137,781.25	4.58
Xianyang Irico Electronics Parts Co., Ltd.	sale of materials		
Irico Group Labor Services Co.	sale of materials	312,938.80	0.02
		116,978.40	0.01

(3) Pricing principles for associated transactions

Purchase pricing principles: Parts produced and specially provided to this company by affiliated enterprises: On a basis of reasonably calculating production costs and profit margins, take into consideration the affiliated enterprise's supply and pairing capacity, product quality, cost, settlement method, and refer to comparable negotiated market pricing. Parts supplied by the affiliated enterprise to this company and sold abroad: The supply price for these products should be higher than the supply price for third parties.

Sales pricing principles: Determine the price based on the market supply and demand for color tube market products and factors such as the production costs of this company or subsidiaries and reasonable profit. In principle, it should not be lower than the supply price to third parties in the market.

Power supply pricing principles: For cases with a price approved by a commodities pricing department, the approved price shall be implemented; with no approved price, negotiate pricing by referring to the supply price for similar local enterprises, taking into consideration factors such as production costs and reasonable profits.

(4) Explanation of necessity and continuity of associated transactions

There are continuous associated transactions relating to day-to-day production operation between this company, its controlling shareholder, Irico Electronics, its actual controlling shareholder, Irico Group, and related persons. The main reason is that Irico Group was the first color picture tube production enterprise in China, mainly engaging in the design, production, and manufacture of color picture tubes. At that time, China was lacking enterprises for paired parts, so the paired parts used in color picture tube production were technology imports. After more than 20 years of development, it has become the domestic base for color tube production, research, and development with the largest production capacity and most complete pairings. Against this backdrop, this company has a great many associated transactions with Irico Group for display device production.

Because there is a paired supply relationship between this company and Irico Group, Irico Electronics, and their subordinate production enterprises in terms of production operation, most of the factories and operations sites are located in Xianyang. Because most of the parts required for the company's production cannot be purchased outside of Irico Group, and because the product quality of the paired factories within Irico Group Electronics Co., Ltd. is quite good, the prices are relatively low, the supply is steady, and transportation is convenient, and it benefits production and organization, these associated transactions can make full use of the pairing advantage internally offered by Irico Group Electronics Co., Ltd., save on purchasing expenses, lower production costs, and boost the company's production efficiency and benefits.

There is a certain degree of dependency between this company and its related parties in terms of production operation, as well as a shared business risk. This being the case, the parties in associated transactions work closely together in research and development and production, make full use of their individual advantages, painstakingly lower costs, and develop new products. At the same time, they clarify associated transactions, conduct reasonable pricing, and do not harm the interests of non-associated shareholders. The associated transactions will have no adverse effect on this company's sustained operation capacity, profits and losses, and assets.

2. Major associated transactions involving assets and equity transfers

See "(II) Assets transaction items" of this section for major associated transactions involving assets and equity transfers.

3. Current associated rights of credit and liabilities

Related party	Relationship	Funds provided to related party		Funds provided by related party to company	
		Occurrence amount	Remaining amount	Occurrence amount	Remaining amount
Irico Group Corporation	Actual controlling shareholder	35,345,473.46	35,345,473.46		
Total	/	35,345,473.46	35,345,473.46		

Reason for associated rights of credit and liabilities:

On 30 November 2007, this company transferred 41.67% equity in its equity participation company Xi'an New Era Club Co., Ltd. and 49% equity in Irico Digital Display Co., Ltd to its actual controlling shareholder, Irico Group Corporation. This company is due 120,848,760.27 yuan from Irico Group in equity transfer funds. As of 31 December 2007, 85,503,286.81 yuan had been received; the remaining 35,345,473.46 yuan has not been received.

Associated rights of credit and liabilities pay off:

The remaining 35,345,473.46 yuan from Irico Group in equity transfer funds due to this company was received in January 2008.

(IV) Trusts

The company had no trust items this year.

(V) Contractors

The company had no contractor items this year.

(VI) Lease situation

This company signed a two-year one-month (from 1 December 2007 to 31 December 2009) irrevocable business lease contract with Irico Group Corporation. According to the lease agreement, the company must separately pay RMB 11 yuan per year per square meter for land use rights, and rent of RMB 9 yuan per month per square meter for the building used in Xianyang, for a total of 9,534,805.80 yuan per year.

(VII) Guarantees

The company had no guarantees this year.

(VIII) Consigned financing

The company had no consigned financing this year.

**(IX) Other major contracts**

The company did not have any other major contracts in this year.

**(X) Fulfilment of commitments**

Commitments by the company or a shareholder holding more than 5% of shares during the report period or continued into the report period

Reform of non-tradable shares and fulfilment thereof: the shareholder holding more than 5% of shares (IRICO Display Devices Co. Ltd.) did not make any commitments other than the mandatory commitments during the process of reform of non-tradable shares. During the report period, IRICO Display Devices Co. Ltd. has strictly fulfilled the commitments made in the reform program of non-tradable shares.

**(XI) Retainage and dismissal of accounting firm**

During the report period, the company changed its accounting firm. PricewaterhouseCoopers LLP was originally retained by the company as a domestic auditor for the company. The remuneration paid to PricewaterhouseCoopers for auditing of the previous year is in the amount of 480,000 Yuan. As of the end of the previous report period, this accounting firm had provided auditing services to the company for 1 year.

Pursuant to the “Reply to Matters on Year 2006 Financial Settlement and Management of IRICO Group Corporation” and “Notice on Strengthening Auditing on Financial Settlements of Central Enterprises” (Guo Zi Ting Fa Ping Jia [2005] No. 43) by the State-owned Assets Supervision and Administration Commission of the State Council, IRICO Group Corporation and its subsidiaries and branches can only be independently audited by one accounting firm in principle, so as to ensure the smooth completion of audit on the enterprise’s financial settlement, reduce obstacles in information communications, and improve the auditing quality. In view of this, it was decided, as proposed by the company’s audit committee and passed through voting by the shareholders’ meeting, that ShineWing Certified Public Accountants be retained as the auditor for this company for the year 2007 and the remuneration paid for the annual auditing work thereof is 390,000 Yuan.

**(XII) Penalties on and rectifications by listed companies and their directors, supervisors, senior managers, shareholders, and actual controllers**

During the report period, none of the listed companies or their directors, supervisors, senior managers, shareholders, or actual controllers were subject to inspection, administrative penalty, or a notice of criticism from the China Securities Regulatory Commission or public condemnation by a stock exchange.

**(XIII) Other major matters and analysis and explanation on impacts and solutions thereof****Holding of shares of non-listed financial enterprises**

Name of object held	Amount of initial investment	Number held (shares)	Percent of the company’s stock right (%)	Ending book value (Yuan)	Income of the report period (Yuan)	Changes in Owners’ Equity of the report period (Yuan)	Accounting items	Source of shares
Western Trust & Investment Co., Ltd.	30,000,000		5.01	24,060,000	565,873.23		Long-term equity investment	Purchase
Sub-total	30,000,000		-	24,060,000			-	-

**(XIV) Index of information disclosures**

Matters	Names and sections of newspapers for publication	Date of publication	Website and search path of the publication
Announcement of profit estimates for Year 2006	China Securities Journal, Securities Times	January 31, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Announcement of resolutions by the 9 <sup>th</sup> Meeting of the 5 <sup>th</sup> Board of Directors	China Securities Journal, Securities Times	March 22, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Announcement of loss estimates for the 1 <sup>st</sup> quarter of Year 2007	China Securities Journal, Securities Times	April 7, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Announcement of corrections to performance estimates for Year 2006	China Securities Journal, Securities Times	April 7, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Announcement of resolutions by the 7 <sup>th</sup> Meeting of the 5 <sup>th</sup> Board of Supervisors	China Securities Journal, Securities Times	April 13, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>



Special explanations on use of funds by controlling shareholders of IRICO and affiliates thereof	China Securities Journal, Securities Times	April 13, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Announcement of resolutions by the 10 <sup>th</sup> Meeting of the 5 <sup>th</sup> Board of Directors	China Securities Journal, Securities Times	April 13, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
2006 Annual Report and Abstract thereof	China Securities Journal, Securities Times	April 13, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Suggestive Announcement on Suspended Stock Trading	China Securities Journal, Securities Times	April 18, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Announcement to clarify rumors by relevant media	China Securities Journal, Securities Times	April 19, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
First Quarterly Report 2007	China Securities Journal, Securities Times	April 24, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Announcement of notification on convening the 15 <sup>th</sup> Shareholders' Meeting (Year 2006)	China Securities Journal, Securities Times	May 30, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Announcement of resolutions by the 12 <sup>th</sup> Meeting of the 5 <sup>th</sup> Board of Directors	China Securities Journal, Securities Times	May 30, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Announcement of resolutions by the 9 <sup>th</sup> Meeting of the 5 <sup>th</sup> Board of Supervisors	China Securities Journal, Securities Times	May 30, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Announcement regarding abnormal fluctuation of stock trading	China Securities Journal, Securities Times	June 2, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Materials for the 15 <sup>th</sup> Shareholders' Meeting (Year 2006)	China Securities Journal, Securities Times	June 19, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Letter of Legal Opinions of the 15 <sup>th</sup> Shareholders' Meeting (Year 2006)	China Securities Journal, Securities Times	June 28, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Announcement of resolutions by the 15 <sup>th</sup> Shareholders' Meeting (Year 2006)	China Securities Journal, Securities Times	June 28, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Suggestive Announcement from the Board of Directors	China Securities Journal, Securities Times	July 11, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Announcement of interim loss estimates for Year 2007	China Securities Journal, Securities Times	July 14, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Announcement of listing outstanding shares with restrictions	China Securities Journal, Securities Times	July 24, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Announcement of resolutions by the 10 <sup>th</sup> Meeting of the 5 <sup>th</sup> Board of Supervisors	China Securities Journal, Securities Times	July 28, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Announcement of resolutions by the 13 <sup>th</sup> Meeting of the 5 <sup>th</sup> Board of Directors	China Securities Journal, Securities Times	July 28, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Announcement from the Board of Directors	China Securities Journal, Securities Times	July 28, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Announcement of equity assignment and related transactions	China Securities Journal, Securities Times	July 28, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Report on major asset swap and related transactions (draft)	China Securities Journal, Securities Times	July 28, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Announcement of self-examination report and rectification plan for the "Special Event for Strengthening Governance of Publicly Traded Companies"	China Securities Journal, Securities Times	August 17, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Detailed rules on work of the nomination committee of the Board of Directors	China Securities Journal, Securities Times	August 30, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Independent director system	China Securities Journal, Securities Times	August 30, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Announcement of resolutions by the 14 <sup>th</sup> Meeting of the 5 <sup>th</sup> Board of Directors	China Securities Journal, Securities Times	August 30, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
2007 Semi-Annual Report and Abstract thereof	China Securities Journal, Securities Times	August 30, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Announcement of 3 <sup>rd</sup> quarter loss estimates for Year 2007	China Securities Journal, Securities Times	October 9, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Announcement of investment by controlled subsidiaries	China Securities Journal, Securities Times	October 9, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Clarification Announcement	China Securities Journal, Securities Times	October 20, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Third Quarterly Report 2007	China Securities Journal, Securities Times	October 25, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Rectification report on the Special Event for Corporation Governance	China Securities Journal, Securities Times	November 3, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Announcement of notification on convening the 1 <sup>st</sup> Ad Hoc Shareholders' Meeting in 2007	China Securities Journal, Securities Times	November 14, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Report on major asset swap and related transactions	China Securities Journal, Securities Times	November 14, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Announcement of progress on major asset swap matters	China Securities Journal, Securities Times	November 14, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Announcement of resolutions by the 17 <sup>th</sup> Meeting of the 5 <sup>th</sup> Board of Directors	China Securities Journal, Securities Times	November 14, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Materials for the 1 <sup>st</sup> Ad Hoc Shareholders' Meeting in 2007	China Securities Journal, Securities Times	November 22, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Letter of Legal Opinions of the 1 <sup>st</sup> Ad Hoc Shareholders' Meeting in 2007	China Securities Journal, Securities Times	November 30, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Announcement of resolutions by the 18 <sup>th</sup> Meeting of the 5 <sup>th</sup> Board of Directors	China Securities Journal, Securities Times	November 30, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Announcement of resolutions by the 1 <sup>st</sup> Ad Hoc Shareholders' Meeting in 2007	China Securities Journal, Securities Times	November 30, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
Announcement of reduction of shares held by shareholders	China Securities Journal, Securities Times	December 15, 2007	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>

**XI Financial Report**

The company's annual financial report has been audited by Yang Wang and Kun Zhang, CPAs from ShineWing Certified Public Accountants, and a standard audit report with no reserved opinions has been issued.

(I) Audit report

**Audit Report**

XYZH/2007A4028

**All shareholders of IRICO Display Devices Co. Ltd.,**

We have audited the attached consolidated financial statements of IRICO Display Devices Co. Ltd. (hereinafter "IRICO") and financial statements of its parent company, including the Balance Sheet as of December 31, 2007, and Income Statements, Statement of Cash Flows, Statement of Changes in Owners' Equity and the Notes to Consolidated Financial Statements for 2007.

**I. Responsibility of management for financial statements**

It is the responsibility of the IRICO management for preparation of financial statements in accordance with provisions in the Accounting Standards for Business Enterprises, which includes: (1) design, implementation and maintenance of necessary internal control related to the preparation of financial statements, such that the financial statements do not have material misstatement due to fraud or errors; (2) selection and application of appropriate accounting principles; and (3) presentation of reasonable accounting estimates.

**II. Responsibility of certified public accountants**

Our responsibility is to deliver audit opinions on these financial statements based on audits. We have conducted an audit in accordance with provisions in the Rules Governing the Audit of Financial Statements by Certified Public Accountants in China. The Rules Governing the Audit of Financial Statements by Certified Public Accountants in China require that we comply with professional ethical standards, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The audit includes the implementation of an auditing procedure to obtain auditing evidence regarding the amounts and disclosures in the financial statements. The selection of an auditing procedure is dependent on judgments made by the CPAs, including the risk assessment of material misstatement in the financial statements due to fraud or errors. When performing the risk assessment, the CPAs have considered internal control related to the preparation of financial statements so as to design an appropriate auditing procedure; however, the goal thereof is not to express opinions on the effectiveness of the internal control. The audit further includes assessment on the appropriateness of the accounting principles employed by the management and the reasonable basis of accounting estimates, as well as evaluating the overall financial statement presentation.

We believe that we have obtained sufficient and appropriate auditing evidence to support the audit opinions.

**III. Audit Opinions**

In our opinion, IRICO's financial statements have been prepared in accordance with provisions in the Accounting Standards for Business Enterprises, and in all material respects, impartially reflected the financial position of IRICO as of December 31, 2007, and the operational results and cash flow in 2007.

ShineWing Certified Public Accountants

Certified Public Accountant in China: Yang Wang

Certified Public Accountant in China: Kun Zhang

Beijing, China

April 23, 2008



IRICO Display Devices Co. Ltd. 2007 Annual Report

(II) Financial statements

**Consolidated Balance Sheets**

Compiled by: IRICO Display Devices Co. Ltd.

Unit: Yuan

Currency: RMB

Assets	Notes	December 31, 2007	December 31, 2006
<b>Current Assets:</b>			
Monetary funds	VIII. 1	108,433,192.54	125,331,380.96
Trading financial assets			
Notes receivable	VIII. 2	330,167,927.20	545,985,327.52
Accounts receivable	VIII. 3	334,944,177.76	322,292,001.78
Payments in advance	VIII. 4	4,925,831.78	159,706.57
Interests receivable			
Dividends receivable			
Other receivables	VIII. 5	44,499,648.41	555,833.47
Buying back the sale of financial assets			
Inventory	VIII. 6	264,454,203.79	183,667,047.92
Non-current assets maturing within one year			
Other current assets			
Current assets, total		<b>1,087,424,981.48</b>	<b>1,177,991,298.22</b>
<b>Non-current assets:</b>			
Available-for-sale financial assets			
Held-to-maturity investments			
Long-term accounts receivable			
Long-term equity investments	VIII. 7	24,060,000.00	133,088,164.45
Investment real estate	VIII. 8	4,696,564.26	4,914,972.33
Fixed assets	VIII. 9	900,177,421.85	786,421,766.38
Under-construction projects	VIII. 10	3,516,591.17	2,005,222.00
Project materials			
Fixed assets in liquidation			
Productive biological assets			
Oil and gas assets			
Intangible assets	VIII. 11	22,538,690.46	41,589,054.00
Development expenditure			
Goodwill			
Long-term deferred expenses	VIII. 12		515,254.42
Deferred income tax assets	VIII. 13		463,038.86
Other non-current assets			
Non-current assets, total		<b>954,989,267.74</b>	<b>968,997,472.44</b>
Assets, total		<b>2,042,414,249.22</b>	<b>2,146,988,770.66</b>

## IRICO Display Devices Co. Ltd. 2007 Annual Report

<b>Current Liabilities:</b>			
Short-term loans	VIII. 14	314,000,000.00	300,000,000.00
Trading financial liabilities			
Notes payable			
Accounts payable	VIII. 15	230,130,037.98	293,165,539.58
Accounts received in advance	VIII. 16	12,596,527.47	3,471,388.26
Handling charge and commission payables			
Employee compensation payable	VIII. 17	20,464,741.39	40,395,326.21
Taxes and fees payable	VIII. 18	-8,762,398.78	4,794,555.46
Interests payable			
Dividends payable	VIII. 19		
Other payables	VIII. 20	3,438,520.00	3,438,520.00
Non-current liabilities maturing within one year		37,965,193.80	43,436,674.53
Other current liabilities			
Current liabilities, total		<b>609,832,621.86</b>	<b>688,702,004.04</b>
<b>Non-current Liabilities:</b>			
Long-term loans			
Bonds payable			
Long-term payables			
Special accounts payable	VIII. 21		
Projected liabilities	VIII. 22		3,000,000.00
Deferred income tax liabilities		3,965,959.39	2,022,167.00
Other non-current liabilities			
Non-current liabilities, total			
Liabilities, total		<b>3,965,959.39</b>	<b>5,022,167.00</b>
<b>Owner's Equity (or Shareholders' Equity):</b>		<b>613,798,581.25</b>	<b>693,724,171.04</b>
Paid in capital (or shares)	VIII. 23		
Capital surplus	VIII. 24	421,148,800.00	421,148,800.00
Minus: treasury stock		707,339,757.49	636,528,565.67
Surplus reserve	VIII. 25		
General risk provision			
Undistributed profits	VIII. 26	227,022,296.24	227,022,296.24
Converted difference in Foreign Currency Statements		72,247,713.83	100,782,761.24
Equity attributable to owners of the parent company		1,427,758,567.56	1,385,482,423.15
Minority interests	VIII. 27	857,100.41	67,782,176.47
Owners' equity, total		<b>1,428,615,667.97</b>	<b>1,453,264,599.62</b>
Total liabilities and owners' equity		<b>2,042,414,249.22</b>	<b>2,146,988,770.66</b>

Legal representative of the company: Daoqin Xing      Person in charge of the accounting work: Ahe Jiang  
 Person in charge of the accounting department: Dongfeng Qiu

IRICO Display Devices Co. Ltd. 2007 Annual Report

**Balance Sheets of the Parent Company**

Compiled by: IRICO Display Devices Co. Ltd.

Unit: Yuan

Currency: RMB

Assets	Notes	December 31, 2007	December 31, 2006
<b>Current Assets:</b>			
Monetary funds		93,076,315.91	108,856,557.35
Trading financial assets			
Notes receivable		330,167,927.20	506,701,780.63
Accounts receivable	IX. 1	348,852,523.41	304,768,189.35
Payments in advance		4,925,831.78	15,203.57
Interests receivable			
Dividends receivable			
Other receivables	IX. 2	44,499,648.41	508,214.13
Inventory		264,114,463.84	176,340,299.38
Non-current assets maturing within one year			
Other current assets			
Current assets, total		1,085,636,710.55	1,097,190,244.41
<b>Non-current assets:</b>			
Available-for-sale financial assets			
Held-to-maturity investments			
Long-term accounts receivable			
Long-term equity investments	IX. 3	33,060,000.00	211,488,164.41
Investment real estate		4,696,564.26	4,914,972.33
Fixed assets		891,506,734.04	703,331,461.33
Under-construction projects		3,516,591.17	2,005,222.00
Project materials			
Fixed assets in liquidation			
Productive biological assets			
Oil and gas assets			
Intangible assets		22,538,690.46	22,118,997.78
Development expenditure			
Goodwill			
Long-term deferred expenses			
Deferred income tax assets			
Other non-current assets			
Non-current assets, total		955,318,579.93	943,858,817.85
Assets, total		<b>2,040,955,290.48</b>	<b>2,041,049,062.26</b>

## IRICO Display Devices Co. Ltd. 2007 Annual Report

<b>Current Liabilities:</b>			
Short-term loans		314,000,000.00	300,000,000.00
Trading financial liabilities			
Notes payable			
Accounts payable		230,044,176.35	282,880,063.40
Accounts received in advance		12,596,527.47	499,366.96
Employee compensation payable		20,327,555.51	36,752,083.77
Taxes and fees payable		-8,764,981.78	2,961,270.71
Interests payable			
Dividends payable		3,438,520.00	3,438,520.00
Other payables		36,633,257.59	32,298,056.62
Non-current liabilities maturing within one year			
Other current liabilities			
Current liabilities, total		608,275,055.14	658,829,361.46
<b>Non-current Liabilities:</b>			
Long-term loans			
Bonds payable			
Long-term payables			
Special accounts payable			3,000,000.00
Projected liabilities		3,965,959.39	2,022,167.00
Deferred income tax liabilities			
Other non-current liabilities			
Non-current liabilities, total		3,965,959.39	5,022,167.00
Liabilities, total		612,241,014.53	663,851,528.46
<b>Owner's Equity (or Shareholders' Equity):</b>			
Paid in capital (or shares)			
Capital surplus		421,148,800.00	421,148,800.00
Minus: treasury stock		707,339,757.49	636,528,565.67
Surplus reserve			
Undistributed profits		227,022,296.24	227,022,296.24
Owners' equity (or Shareholders' Equity), total		73,203,422.22	92,497,871.89
Total liabilities and owners' equity (or Shareholders' Equity)		1,428,714,275.95	1,377,197,533.80
		2,040,955,290.48	2,041,049,062.26

Legal representative of the company: Daoqin Xing      Person in charge of the accounting work: Ahe Jiang      Person  
in charge of the accounting department: Dongfeng Qiu

IRICO Display Devices Co. Ltd. 2007 Annual Report

## Consolidated Income Statements

Compiled by: IRICO Display Devices Co. Ltd.

Unit: Yuan

Currency: RMB

Item	Notes	Year 2007	Year 2006
I. Revenue from operations, total	VIII. 28	<b>1,705,696,095.72</b>	<b>2,067,039,893.50</b>
Wherein: Revenue from operations		1,705,696,095.72	2,067,039,893.50
II. Cost of operations, total		<b>1,760,035,875.07</b>	<b>1,995,027,410.52</b>
Wherein: cost of operations	VIII. 28	1,615,891,926.49	1,857,252,137.83
Tax and surtax of operations	VIII. 29	2,232,631.05	4,043,460.16
Sales expense		75,909,007.24	77,592,062.51
Management expense		36,753,935.60	43,884,420.65
Financial expense	VIII. 30	19,948,968.22	18,749,015.89
Loss from asset impairment	VIII. 31	9,299,406.47	-6,493,686.52
Plus: incomes from changes in fair value (losses to be filled with "-")			
Investment incomes (losses to be filled with "-")	VIII. 32	25,391,128.86	-56,592,679.80
Wherein: investment incomes from cooperative enterprises and joint ventures			
III. Profit from operations (losses to be filled with "-")		<b>-28,948,650.49</b>	<b>15,419,803.18</b>
Plus: revenue from other operations	VIII. 33	3,114,184.20	987,574.37
Minus: expenses of other operations	VIII. 34	1,367,368.50	332,042.19
Wherein: loss on disposal of non-current assets		29,178.81	329,333.59
IV. Total profit (total loss to be filled with "-")		<b>-27,201,834.79</b>	<b>16,075,335.36</b>
Minus: income tax expense	VIII. 35	284,285.63	1,650,823.84
V. Net profit (net loss to be filled with "-")		<b>-27,486,120.42</b>	<b>14,424,511.52</b>
Net profit attributable to owners of the parent company		-28,433,627.98	15,453,679.24
Minority profit and loss		947,507.56	-1,029,167.72
VI. Earnings per share			
(I) Basic earnings per share		-0.07	0.04
(II) Diluted earnings per share		-0.07	0.04

Legal representative of the company: Daoqin Xing Person in charge of the accounting work: Ahe Jiang  
 in charge of the accounting department: Dongfeng Qiu

Person

## Income Statements of the Parent Company

Compiled by: IRICO Display Devices Co. Ltd.

Unit: Yuan

Currency: RMB

Item	Notes	Year 2007	Year 2006
I. Revenue from operations, total	IX. 4	1,640,122,974.97	1,890,472,736.85
Minus: cost of operations	IX. 4	1,566,700,985.18	1,709,042,861.37
Tax and surtax of operations		2,040,849.53	2,775,775.86
Sales expense		70,330,182.45	64,967,829.17
Management expense		32,828,105.12	22,449,425.27
Financial expense		20,814,901.22	22,203,037.29
Loss from asset impairment		6,662,090.57	-5,701,635.82
Plus: incomes from changes in fair value (losses to be filled with "-")			
Investment incomes (losses to be filled with "-")	IX. 5	37,924,147.56	-56,479,209.89
Wherein: investment incomes from cooperative enterprises and joint ventures			
II. Profit from operations (losses to be filled with "-")		<b>-21,329,991.54</b>	<b>18,256,233.82</b>
Plus: revenue from other operations		3,114,184.20	621,534.85
Minus: expenses of other operations		1,078,642.33	329,450.59
Wherein: loss on disposal of non-current assets		29,178.81	329,333.59
III. Total profit (total loss to be filled with "-")		<b>-19,294,449.67</b>	<b>18,548,318.08</b>
Minus: income tax expense			
IV. Net profit (net loss to be filled with "-")		-19,294,449.67	18,548,318.08

Legal representative of the company: Daoqin Xing Person in charge of the accounting work: Ahe Jiang  
 in charge of the accounting department: Dongfeng Qiu

Person

IRICO Display Devices Co. Ltd. 2007 Annual Report

**Consolidated Statement of Cash Flows**

Compiled by: IRICO Display Devices Co. Ltd.

Unit: Yuan

Currency: RMB

Item	Notes	Year 2007	Year 2006
<b>I. Cash flows from operating activities:</b>			
Received cash from goods sales and providing labor services		1,084,983,797.38	1,229,650,428.21
Received refund of tax and levies		13,906,857.38	23,594,975.00
Other received cashes related to operating activities	VIII. 36	1,813,858.16	1,426,972.00
Subtotal of received cash flows from operating activities		1,100,704,512.92	1,254,672,375.21
Cash paid for purchasing goods and receiving labor services		868,501,307.11	984,196,717.00
Cash paid to and for employees		138,804,230.22	146,506,530.00
Various taxes paid		39,646,496.64	55,885,792.00
Other paid cashes related to operating activities	VIII. 36	20,199,766.44	28,724,005.00
Subtotal of used cash from operating activities		1,067,151,800.41	1,215,313,044.00
Net cash provided by operating activities		<b>33,552,712.51</b>	<b>39,359,331.21</b>
<b>II. Cash flows from investing activities</b>			
Cash received from investment recovery			
Cash received from investment income			
Net cash recovered from disposing fixed assets, intangible assets and other long-term assets		565,873.23	1,692,177.00
Net cash received from disposing subsidiaries and other operating units			540,466.00
Other received cashes related to investment activities	VIII. 36	-11,913,089.40	
Subtotal of cash flows from investing activities		1,016,853.16	
Cash paid to purchase fixed assets, intangible assets and other long-term assets		-10,330,363.01	2,232,643.00
Cashes paid for investments		15,950,090.37	4,493,218.00
Net accrual of pledged loans			
Net cash paid for acquiring subsidiaries and other operating units			
Other paid cashes related to investing activities			
Subtotal of cash used for investing activities		15,950,090.37	4,493,218.00
Net cash provided by investing activities		<b>-26,280,453.38</b>	<b>-2,260,575.00</b>
<b>III. Cash flows from financing activities</b>			
Cash received from investment			
Wherein: cash received from investment by minority shareholders into subsidiaries			
Cash received from loans		338,000,000.00	300,000,000.00
Cash received from issuing bonds			
Other received cashes related to financing activities			
Subtotal of received cash from financing activities		338,000,000.00	300,000,000.00
Cash paid for debt repayment		344,000,000.00	380,000,000.00
Cash paid for distributed dividend, profit or interest		16,979,452.50	21,219,707.00
Wherein: dividends and profits paid by subsidiaries to minority shareholders			
Other paid cashes related to financing activities			1,704,578.00
Subtotal of cash used for financing activities		360,979,452.50	402,924,285.00
Net cash provided by financing activities		<b>-22,979,452.50</b>	<b>-102,924,285.00</b>
<b>IV. Influence of exchange rate fluctuation on cash and cash equivalents</b>		<b>-1,190,995.05</b>	
<b>V. Net accrual of cash and cash equivalents</b>		<b>-16,898,188.42</b>	<b>-65,825,528.79</b>
Plus: beginning balance in cash and cash equivalents		125,331,380.96	191,156,909.75
<b>VI. Ending balance in cash and cash equivalents</b>	VIII. 36	108,433,192.54	125,331,380.96

Legal representative of the company: Daoqin Xing      Person in charge of the accounting work: Ahe Jiang  
 in charge of the accounting department: Dongfeng Qiu

Person

IRICO Display Devices Co. Ltd. 2007 Annual Report

**Statement of Cash Flows of the Parent Company**

Compiled by: IRICO Display Devices Co. Ltd.

Unit: Yuan

Currency: RMB

Item	Notes	Year 2007	Year 2006
<b>I. Cash flows from operating activities:</b>			
Received cash from goods sales and providing labor services		927,098,938.48	1,088,624,475.49
Received refund of tax and levies		13,906,857.38	23,594,975.00
Other received cashes related to operating activities		2,098,458.85	1,071,154.00
Subtotal of received cash flows from operating activities		943,104,254.71	1,113,290,604.49
Cash paid for purchasing goods and receiving labor services		758,152,826.49	909,411,626.00
Cash paid to and for employees		119,731,590.28	107,347,670.00
Various taxes paid		37,458,226.66	38,066,402.00
Other paid cashes related to operating activities		13,920,543.95	20,907,402.00
Subtotal of used cash from operating activities		929,263,187.38	1,075,733,100.00
Net cash provided by operating activities		<b>13,841,067.33</b>	<b>37,557,504.49</b>
<b>II. Cash flows from investing activities</b>			
Cash received from investment recovery			
Cash received from investment income			
Net cash recovered from disposing fixed assets, intangible assets and other long-term assets		565,873.23	1,486,333.00
			521,000.00
Net cash received from disposing subsidiaries and other operating units			
Other received cashes related to investment activities		868,656.40	
Subtotal of cash flows from investing activities		1,434,529.63	2,007,333.00
Cash paid to purchase fixed assets, intangible assets and other long-term assets		6,915,264.45	4,323,494.00
Cashes paid for investments			
Net cash paid for acquiring subsidiaries and other operating units			
Other paid cashes related to investing activities		6,915,264.45	4,323,494.00
Subtotal of cash used for investing activities		<b>-5,480,734.82</b>	<b>-2,316,161.00</b>
Net cash provided by investing activities			
<b>III. Cash flows from financing activities</b>			
Cash received from investment		338,000,000.00	300,000,000.00
Cash received from loans			
Other received cashes related to financing activities		338,000,000.00	300,000,000.00
Subtotal of received cash from financing activities		344,000,000.00	380,000,000.00
Cash paid for debt repayment		16,979,452.50	21,219,707.00
Cash paid for distributed dividend, profit or interest			208,051.00
Other paid cashes related to financing activities		360,979,452.50	401,427,758.00
Subtotal of cash used for financing activities		<b>-22,979,452.50</b>	<b>-101,427,758.00</b>
Net cash provided by financing activities			
<b>IV. Influence of exchange rate fluctuation on cash and cash equivalents</b>		<b>-1,161,121.45</b>	
<b>V. Net accrual of cash and cash equivalents</b>		<b>-15,780,241.44</b>	<b>-66,186,414.51</b>
Plus: beginning balance in cash and cash equivalents		108,856,557.35	175,042,971.86
<b>VI. Ending balance in cash and cash equivalents</b>		<b>93,076,315.91</b>	<b>108,856,557.35</b>

Legal representative of the company: Daoqin Xing      Person in charge of the accounting work: Ahe Jiang  
 in charge of the accounting department: Dongfeng Qiu

Person



IRICO Display Devices Co. Ltd. 2007 Annual Report

**Consolidated Statement of Changes in Owners' Equity**

January to December 2007

Compiled by: IRICO Display Devices Co. Ltd.

Unit: Yuan

Currency: RMB

Item	Amount in the current period							
	Equity attributable to owners of the parent company (amount of the current year)							Minority interests
	Paid-in capital (or share capital)	Capital surplus	Minus: treasury stocks	Surplus reserve	General risk preparation	Undistributed profit	Others	Owners' Equity, total
I. Balance at the end of the last year	421,148,800.00	636,528,565.67		227,022,296.24		100,782,761.24		67,782,176.47
Plus: Changes to accounting principles								
Correction of previous errors								
II. Balance at the beginning of the current year	421,148,800.00	636,528,565.67		227,022,296.24		100,782,761.24		67,782,176.47
III. Accrual and reduction in the current year (reduction listed with "-")		70,811,191.82				-28,535,047.41		-66,925,076.06
(I) Net profit		70,811,191.82				-28,433,627.98		947,507.56
(II) Gains and losses recognized directly in owners' equity								
1. Net changes in fair value of available-for-sale financial assets								
2. Consequences of other owners' equity changes in invested units under the equity method								
3. Income tax consequences concerning items recognized in owners' equity								
4. Others		70,811,191.82				-101,419.43		-96,324.31
Subtotal of (I) and (II) above		70,811,191.82				-28,535,047.41		851,183.25
(III) Paid-in and reduced capital by owners								
1. Paid-in capital by owners								-67,776,259.31
2. Amount of stock payment counted into owners' equity								
3. Others								
(IV) Profit distribution								
1. Appropriation of surplus reserve								-67,776,259.31
2. Appropriation of general risk preparation								
3. Distribution to owners (or stockholders)								
4. Others								
(V) Internal carryover of owners' equity								
1. Capital surplus converted to increase capital (or share capital)								
2. Surplus reserve converted to increase capital (or share capital)								
3. Surplus reserve for deficit coverage								
4. Others								
IV. Balance, end of the current period	421,148,800.00	707,339,757.49		227,022,296.24		72,247,713.83		857,100.41

## IRICO Display Devices Co. Ltd. 2007 Annual Report

Unit: Yuan

Currency: RMB

Item	Amount in the same period of last year								
	Equity attributable to owners of the parent company (amount of the current year)							Minority interests	Owners' Equity, total
	Paid-in capital (or share capital)	Capital surplus	Minus: treasury stocks	Surplus reserve	General risk preparation	Undistributed profit	Others		
I. Balance at the end of the last year	421,148,800.00	639,701,910.51		226,408,821.32		85,811,132.70		68,703,815.58	1,441,774,480.11
Plus: Changes to accounting principles				-1,241,356.89		1,372,781.11		107,528.61	238,952.83
Correction of previous errors									
II. Balance at the beginning of the current year	421,148,800.00	639,701,910.51		225,167,464.43		87,183,913.81		68,811,344.19	1,442,013,432.94
III. Accrual and reduction in the current year (reduction listed with "-")		-3,173,344.84		1,854,831.81		13,598,847.43		-1,029,167.72	11,251,166.68
(I) Net profit						15,453,679.24		-1,029,167.72	14,424,511.52
(II) Gains and losses recognized directly in owners' equity		-3,173,344.84							-3,173,344.84
1. Net changes in fair value of available-for-sale financial assets									
2. Consequences of other owners' equity changes in invested units under the equity method									
3. Income tax consequences concerning items recognized in owners' equity									
4. Others		-3,173,344.84							-3,173,344.84
Subtotal of (I) and (II) above		-3,173,344.84				15,453,679.24		-1,029,167.72	11,251,166.68
(III) Paid-in and reduced capital by owners									
1. Paid-in capital by owners									
2. Amount of stock payment counted into owners' equity									
3. Others									
(IV) Profit distribution									
1. Appropriation of surplus reserve				1,854,831.81		-1,854,831.81			
2. Appropriation of general risk preparation				1,854,831.81		-1,854,831.81			
3. Distribution to owners (or stockholders)									
4. Others									
(V) Internal carryover of owners' equity									
1. Capital surplus converted to increase capital (or share capital)									
2. Surplus reserve converted to increase capital (or share capital)									
3. Surplus reserve for deficit coverage									
4. Others									
IV. Balance, end of the current period	421,148,800.00	636,528,565.67		227,022,296.24		100,782,761.24		67,782,176.47	1,453,264,599.62

Legal representative of the company: Daoqin Xing  
 department: Dongfeng Qiu

Person in charge of the accounting work: Ahe Jiang

Person in charge of the accounting

IRICO Display Devices Co. Ltd. 2007 Annual Report

**Statement of Changes in Owners' Equity of the Parent Company**

January to December 2007

Compiled by: IRICO Display Devices Co. Ltd.

Unit: Yuan

Currency: RMB

Item	Amount in the current period					
	Paid-in capital (or share capital)	Capital surplus	Minus: treasury stocks	Surplus reserve	Undistributed profit	Owners' Equity, total
I. Balance at the end of the last year	421,148,800.00	636,528,565.67		227,022,296.24	92,497,871.89	1,377,197,533.80
Plus: Changes to accounting principles						
Correction of previous errors	421,148,800.00	636,528,565.67		227,022,296.24	92,497,871.89	1,377,197,533.80
II. Balance at the beginning of the current year						
III. Accrual and reduction in the current year (reduction listed with "-")		70,811,191.82			-19,294,449.67	51,516,742.15
(I) Net profit					-19,294,449.67	-19,294,449.67
(II) Gains and losses recognized directly in owners' equity		70,811,191.82				70,811,191.82
1. Net changes in fair value of available-for-sale financial assets						
2. Consequences of other owners' equity changes in invested units under the equity method						
3. Income tax consequences concerning items recognized in owners' equity						
4. Others		70,811,191.82				70,811,191.82
Subtotal of (I) and (II) above		70,811,191.82			-19,294,449.67	51,516,742.15
(III) Paid-in and reduced capital by owners						
1. Paid-in capital by owners						
2. Amount of stock payment counted into owners' equity						
3. Others						
(IV) Profit distribution						
1. Appropriation of surplus reserve						
2. Distribution to owners (or stockholders)						
3. Others						
(V) Internal carryover of owners' equity						
1. Capital surplus converted to increase capital (or share capital)						
2. Surplus reserve converted to increase capital (or share capital)						
3. Surplus reserve for deficit coverage						
4. Others						
IV. Balance, end of the current period	421,148,800.00	707,339,757.49		227,022,296.24	73,203,422.22	1,428,714,275.95

## IRICO Display Devices Co. Ltd. 2007 Annual Report

Unit: Yuan

Currency: RMB

Item	Amount in the current period					
	Paid-in capital (or share capital)	Capital surplus	Minus: treasury stocks	Surplus reserve	Undistributed profit	Owners' Equity, total
I. Balance at the end of the last year	421,148,800.00	639,701,910.51		226,408,821.32	86,515,893.48	1,373,775,425.31
Plus: Changes to accounting principles				-1,241,356.89	-10,711,507.86	-11,952,864.75
Correction of previous errors	421,148,800.00	639,701,910.51		225,167,464.43	75,804,385.62	1,361,822,560.56
II. Balance at the beginning of the current year						
III. Accrual and reduction in the current year (reduction listed with "-")		-3,173,344.84		1,854,831.81	16,693,486.27	15,374,973.24
(I) Net profit					18,548,318.08	18,548,318.08
(II) Gains and losses recognized directly in owners' equity		-3,173,344.84				-3,173,344.84
1. Net changes in fair value of available-for-sale financial assets						
2. Consequences of other owners' equity changes in invested units under the equity method						
3. Income tax consequences concerning items recognized in owners' equity						
4. Others		-3,173,344.84				-3,173,344.84
Subtotal of (I) and (II) above		-3,173,344.84			18,548,318.08	15,374,973.24
(III) Paid-in and reduced capital by owners						
1. Paid-in capital by owners						
2. Amount of stock payment counted into owners' equity						
3. Others						
(IV) Profit distribution				1,854,831.81	-1,854,831.81	
1. Appropriation of surplus reserve				1,854,831.81	-1,854,831.81	
2. Distribution to owners (or stockholders)						
3. Others						
(V) Internal carryover of owners' equity						
1. Capital surplus converted to increase capital (or share capital)						
2. Surplus reserve converted to increase capital (or share capital)						
3. Surplus reserve for deficit coverage						
4. Others						
IV. Balance, end of the current period	421,148,800.00	636,528,565.67		227,022,296.24	92,497,871.89	1,377,197,533.80

Legal representative of the company: Daoqin Xing  
department: Dongfeng Qiu

Person in charge of the accounting work: Ahe Jiang

Person in charge of the accounting

IRICO Display Devices Co. Ltd. 2007 Annual Report

## **I. Basic information of the company**

IRICO Display Devices Co. Ltd. (hereinafter the “company”) is a corporation established in a subscription manner as approved by the Committee on Economic System Reform of Shaanxi Province Document Shan Gai Fa [1992] No. 34 and jointly initiated by IRICO Group Corporation (hereinafter the “IRICO Group”), the former Shaanxi Province Trust & Investment Co., Ltd. of the Industrial and Commercial Bank of China, and the former Shaanxi Province Trust & Investment Co., Ltd. of the China Construction Bank. The company filed an application for industry and commerce registration with the Administration Bureau for Industry and Commerce of Shaanxi Province on July 29, 1992, the registration number of the Business License is 610000100063235, the current registered capital of the company is RMB 421,148,800 Yuan, the legal representative is Mr. Daoqin Xing, and the taxation registration number is 610198220533028.

With the approval of relevant government agencies, the company was listed with the Shanghai Stock Exchange for trading on May 20, 1996. In July 1997, the former Shaanxi Province Trust & Investment Co., Ltd. of the Industrial and Commercial Bank of China, the former Shaanxi Province Trust & Investment Co., Ltd. of the China Construction Bank, and the former Shaanxi Province Trust & Investment Co., Ltd. of the Bank of China transferred shares respectively held by them, a total of 122.88 million shares, to IRICO Group as approved by the China Securities Regulatory Commission. In October 2004, IRICO Group transferred, according to the reply by the State-owned Assets Supervision and Administration Commission of the State Council, all shares of the company held by IRICO Group to IRICO Group Electronics Co., Ltd. (hereinafter the “IRICO Electronics”), which was independently established by IRICO Group. IRICO Electronics became a controlling shareholder of the company, and IRICO Group became the ultimate controlling company of the company.

On July 27, 2006, the company conducted the reform of non-tradable shares. All shareholders of non-tradable shares offered, with the shares held thereby and according to the holding percent thereof, 4.2 shares per 10 shares to shareholders of circulating shares at no charge, with a total of 60,330,816 shares as consideration; after the reform of non-tradable shares, the company’s registered capital was still RMB 421,148,800 Yuan, and IRICO Electronics held 180,675,565 shares of the company, which was 42.90% of the registered capital. In 2007, 9 shareholders of circulating shares with restrictions, including Xi’an Aircraft Industrial Corporation and others, respectively entered the “Agreement on Payments for Reform and Consideration of Non-Tradable Shares with IRICO Electronics, and returned a total of 1,791,419 advance shares to IRICO Electronics. The transfer procedures have been completed with regard to these shares. In addition, IRICO Electronics sold 8,277,440 shares of the company. As of the end of 2007, IRICO Electronics held 174,189,544 shares of the company, which was 41.36% of the registered capital.

The business scope of the company is as follows: mainly production, development and operations of color display devices, electronic products and parts, and raw materials, independent operations and as an agent for import and export of various commodities and technologies, engagement in businesses of “Three Import and Compensation Trade” (except for commodities and technologies that the state has restrictions or prohibition of import and export thereof), and rental of physical objects.

## **II. Basis for Preparation of Financial Statements**

The financial statements are prepared on the basis of continuous operations of the company.

The company originally compiled financial statements according to the Accounting Standards for Business Enterprises and the Enterprise Accounting System promulgated prior to 2006 (hereinafter collectively “original accounting standards and system”). Starting from January 1, 2007, the company began to implement the Accounting Standards for Business Enterprises by the Ministry of Finance in 2006 (hereinafter the “Accounting Standards for Business Enterprises”). The 2007 financial statements were the first annual financial statements compiled by the company according to the Accounting Standards for Business Enterprises.

When compiling the 2007 financial statements, relevant comparison numbers from 2006 had been adjusted retrospectively according to the Accounting Standards for Business Enterprises No. 38 First Time Implementation of the Accounting Standards for Business Enterprises by the Ministry of Finance and relevant provisions and the Questions & Answers regarding Information Disclosure Standards by Companies with Publicly Traded Securities No. 7 – Compilation and Disclosure of Comparative Financial and Accounting Information during the Transition Period from Old Accounting Standards to New Accounting Standards by the China Securities Regulatory Commission. All items have been re-listed and reported according to the Accounting Standards for Business Enterprises.

IRICO Display Devices Co. Ltd. 2007 Annual Report

### **III. Declaration on compliance with the Accounting Standards for Business Enterprises**

The financial statements prepared by the company comply with the requirements of the Accounting Standards for Business Enterprises, which truly and fully reflect the company's financial positions, operation results, cash flows, and other relevant information.

### **IV. Major Changes to Accounting Principles and Accounting Estimates, and Major Accounting Error Corrections**

#### **1. Impacts of Major Changes to Accounting Principles and Accounting Estimates**

The company originally implemented the original accounting standards and system promulgated prior to 2006, and starting from January 1, 2007, began to implement the Accounting Standards for Business Enterprises. Starting from that day, the company confirms, measures and reports transactions or matters of the company according to the new Accounting Standards for Business Enterprises. The company employs the following method to handle changes to the accounting principles as a result of the first time implementation of the new Accounting Standards for Business Enterprises.

- Major changes to the accounting principles subject to accounting with the retrospective adjustment method

(1) Long-term equity investments: before the implementation of the new Accounting Standards for Business Enterprises, the accounting of long-term equity investments was conducted using the equity method, where the difference by which the initial investment cost was greater than the owners' equity in invested units was treated as a debit difference of equity investment and included in the gains and losses through average amortization according to a period. With regard to the difference by which the initial investment cost was less than the owners' equity in invested units, if incurred prior to the issuance of the Document Cai Kuai [2003] No. 10, it was treated as a credit difference of equity investment and included in the gains and losses through average amortization according to a period; if incurred after the issuance of the Document Cai Kuai [2003] No. 10, it was included in the capital surplus.

Prior to the implementation of the new Accounting Standards for Business Enterprises, the accounting of long-term equity investments in subsidiaries was conducted using the equity method in the statements of the parent company. After the implementation of the new Accounting Standards, the accounting principles on long-term equity investments are listed in detail in "Long-term equity investments" in the Notes V.9. On the day of first time implementation, the long-term equity investments in subsidiaries in the statements of the parent company were adjusted retrospectively, as if the accounting had been conducted using the cost method for the subsidiaries from the beginning.

(2) Non-tradable shares: before the implementation of the new Accounting Standards for Business Enterprises, there was a separate item for "Circulation right of non-tradable shares" to account for considerations paid for obtaining the circulation right in the reform of non-tradable shares, and the item was not carried over regularly, nor was it subject to impairment provision. After the implementation of the new Accounting Standards for Business Enterprises, the balance of circulation right of non-tradable shares formed in the reform of non-tradable shares and relevant equity investments were categorized as long-term equity investments according to the accounting principles in "Long-term equity investments" in the Notes V.9.

(3) Income taxes: before the implementation of the new Accounting Standards for Business Enterprises, the tax payable method was used for accounting of income taxes. After the implementation of the new Accounting Standards for Business Enterprises, the Group used the balance sheet liability method for accounting of income taxes. See "Income taxes" in the Notes V.24 for details of the accounting principles regarding income taxes.

(4) Goodwill: before the implementation of the new Accounting Standards for Business Enterprises, the goodwill as a result of enterprise merge was subject to average amortization according to a period. After the implementation of the new Accounting Standards for Business Enterprises, the goodwill as a result of merge of enterprises under the same control was fully written off according to the amortized value on the day of the first time implementation to adjust the retained earnings; for the goodwill as a result of merge of enterprises not under the same control, the amortized value on the day of the first time implementation was used as the identified cost and no longer amortized. See "Merge of enterprises" in the Notes V.25 for details of the accounting principles regarding merge of enterprises.

(5) Income-related government subsidies: before the implementation of the new Accounting Standards for Business Enterprises for Business Enterprises, income-related government subsidies were counted in the Incomes from subsidies when actually received. After the implementation of the new Accounting Standards, the above income-related government subsidies were confirmed when the attached conditions could be satisfied and the subsidies could be received.

## IRICO Display Devices Co. Ltd. 2007 Annual Report

The company performed retrospective adjustments on the above changes to the accounting principles according to the Accounting Standards for Business Enterprises No. 38 First Time Implementation of the Accounting Standards for Business Enterprises and relevant provisions, and adjusted the statements in the financial statements. Impacts of the above changes to the accounting principles on the consolidated shareholders' equity and the shareholders' equity of the parent company as of January 1, 2006 and December 31, 2006 are listed as follows:

## 1) Impacts on the consolidated shareholders' equity as of January 1, 2006

Item	Undistributed profits	Surplus reserve	Capital surplus	Minority interests	Total
(1) Changed from the equity method to the cost method for long-term equity investments	1,241,357	-1,241,357	0.00	0.00	0.00
(2) Minority interests listed as shareholders' equity	0.00	0.00	0.00	68,703,815	68,703,815
(3) Income tax	131,424	0.00	0.00	107,529	238,953
Total	1,372,781	-1,241,357	0.00	68,811,344	68,942,768

## 2) Impacts on the consolidated net profit in 2006

Item	Amount
(1) Income tax	224,086
(2) Severance packages for people of early retirement (including merged subsidiaries)	-5,460,549
(3) Minority interests listed as a net profit item (not including severance packages)	-101,324
Total	-5,337,787

## 3) Impacts on the consolidated shareholders' equity as of December 31, 2006

Item	Undistributed profits	Surplus reserve	Capital surplus	Minority interests	Total
(1) Changed from the equity method to the cost method for long-term equity investments	1,241,357	-1,241,357	0.00	0.00	0.00
(2) Severance packages for people of early retirement	-4,586,170	0.00	0.00	-874,380	-5,460,550
(3) Minority interests listed as shareholders' equity	0.00	0.00	0.00	68,602,492	68,602,492
(4) Reverse of surplus reserve	334,469	-334,469	0.00	0.00	0.00
(5) Income tax	408,975	0.00	0.00	54,064	463,039
Total	-2,601,369	-1,575,826	0.00	67,782,176	63,604,981

## 4) Impacts on the shareholders' equity of the parent company as of January 1, 2006

Item	Undistributed profits	Surplus reserve	Capital surplus	Total
Changed from the equity method to the cost method for long-term equity investments	-10,711,508	-1,241,357	0.00	-11,952,865

## 5) Impacts on the net profit of the parent company in 2006

Item	Amount
(1) Severance packages for people of early retirement	-3,174,589
(2) Investment incomes	-170,102
Total	-3,344,691



## IRICO Display Devices Co. Ltd. 2007 Annual Report

## 6) Impacts on the shareholders' equity of the parent company as of December 31, 2006

Item	Undistributed profits	Surplus reserve	Capital surplus	Total
(1) Reverse of surplus reserve	334,469	-334,469	0.00	0.00
(2) Severance packages for people of early retirement	-3,174,589			-3,174,589
(3) Changed from the equity method to the cost method for long-term equity investments	-10,881,610	-1,241,357	0.00	-12,122,967
<b>Total</b>	<b>-13,721,730</b>	<b>-1,575,826</b>	<b>0.00</b>	<b>-15,297,556</b>

- Major changes to the accounting principles subject to accounting with the prospective application method

In addition to the above major changes to the accounting principles subject to accounting with the retrospective adjustment method, the company further had the following major changes to the accounting principles due to the first time implementation of the new Accounting Standards for Business Enterprises, and used the prospective application method for accounting, which specifically includes:

(1) Capitalization of loan expenses: before the implementation of the new Accounting Standards for Business Enterprises, the company only capitalized the loan interests of a weighted average of cumulative asset expenses for special loans for fixed assets that was calculated according to a weighted average rate of the used special loans. After the implementation of the new Accounting Standards for Business Enterprises, the company capitalized loan expenses according to the accounting principles in the Notes V.13.

(2) Capitalization of R&D expenses: before the implementation of the new Accounting Standards for Business Enterprises, the company included all R&D expenses in the current profits and losses. After the implementation of the new Accounting Standards for Business Enterprises, the company capitalized development expenses that met the prescribed conditions to intangible assets according to the accounting principles in the Notes V.15.

(3) Impairment of non-current assets: before the implementation of the new Accounting Standards for Business Enterprises, losses from impairment of non-current assets that had been recognized by the company previously were reversed, if recovered in the following accounting periods, according to the recovered amount and without exceeding the range of the recognized amount of losses from impairment, and counted in the current profits and losses. After the implementation of the new Accounting Standards for Business Enterprises, the company drew impairment provision from non-current assets according to the accounting principles in the Notes V.16. Once recognized, losses from impairment of non-current assets may not be reversed in following accounting periods except for asset disposal, sales and external investment.

(4) Employee benefits: before the implementation of the new Accounting Standards for Business Enterprises, the company drew employee benefits at 14% of the total salaries and included the employee benefits in the current profits and losses. After the implementation of the new Accounting Standards for Business Enterprises, the company stopped drawing employee benefits at 14% of the total salaries. According to actual situations and the employee benefit plan, the company recognized employee compensations (employee benefits) payable and included the employee compensations in the current profits and losses. Within the first accounting period after the day of the first time implementation, the difference between the employee compensations (employee benefits) payable recognized according to the new Accounting Standards for Business Enterprises and the employee compensations (employee benefits) originally carried over was included in the current profits and losses.

(5) Asset-related government subsidies: before the implementation of the new Accounting Standards for Business Enterprises for Business Enterprises, asset-related government subsidies received by the company were treated as special payables. When the relevant funding projects were completed, relevant special payables were included in the capital surplus for those formed into fixed assets or products and left to the company according to the provisions; for the appropriated funds that did not form into fixed assets and those formed into fixed assets but submitted to the state as provided, the special payables were written off against relevant assets after approval. After the implementation of the new Accounting Standards for Business Enterprises, the company treated asset-related government subsidies according to the accounting principles in the Notes V.22.

## 2. Corrections to and impacts of major accounting errors

There was no matter regarding corrections to and impacts of major accounting errors this year.

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## **V. Important accounting policies, accounting estimates and methods for compiling combined financial statements**

### **1. Accounting period**

The accounting period of the company runs from January 1 through December 31 of every year.

### **2. Reporting currency**

The company uses Renminbi as the reporting currency.

### **3. Accounting basis and valuation principles**

The accounting basis of the company is an accrual basis, and historical cost is used as the valuation principle in all cases except that trading financial assets and available-for-sale financial assets are measured according to fair values.

### **4. Cash and cash equivalents**

Cash in the Statement of Cash Flows of the company refers to cash on hand and deposits that can be used for payments at any time. Cash equivalents in the Statement of Cash refer to investments with a short holding period (generally to mature within three months after the purchase date), highly liquid, easy to be converted to cash in a known amount, and having very low risk in value fluctuation.

### **5. Conversion of foreign currencies**

#### **(1) Transactions of foreign currencies**

Transactions of foreign currencies of the company are recorded after conversion to RMB by using the market exchange rate published by the People's Bank of China on the day of transactions. Monetary assets and liabilities in foreign currencies on the date of the Balance Sheets are converted according to the market exchange rate published by the People's Bank of China on that day. The exchange gains and losses as a result thereof are included in relevant costs for purchase and construction of fixed assets if related to the purchase and construction of fixed assets and before a predetermined use state is reached; for the exchange gains and losses that are not related to the purchase and construction of fixed assets, they are included in long-term deferred expenses if they belong to the period of construction preparation, and included in current financial expenses if they belong to the period of production and operation. Non-monetary items in foreign currencies measured by fair value are converted to RMB at the spot exchange rate on the date of the fair value recognition, and the consequent conversion difference is directly included in the current profits and losses as changes to the fair value.

#### **(2) Conversion of financial statements in foreign currencies**

Items of assets and liabilities in the balance sheets for foreign operations are converted at the spot exchange rate on the date of the Balance Sheets. The spot exchange rate at the moment of occurrence is used for conversion for all items of shareholders' equity except for the item of undistributed profits. Items of incomes and expenses in the Income Statements for foreign operations are converted at the spot exchange rate on the date of transaction occurrence. The conversion differences in statements in foreign currencies as a result of the above conversion are listed separately under shareholders' equity. For monetary items in foreign currencies that substantially constitute net investments in foreign operations, the exchange difference as a result of fluctuations to exchange rates is also listed as a conversion difference in financial statements in foreign currencies separately under shareholders' equity when consolidated financial statements are compiled. When a foreign operation is disposed of, the conversion difference in financial statements in foreign currencies related to the foreign operation is transferred to the current profits and losses of the disposal according to a percent thereof.

Cash flow in foreign currencies and cash flow of foreign subsidiaries are converted at the spot exchange rate on the date of cash flow occurrence. Consequences of exchange rate fluctuations on cash are listed separately in statements of cash flow.

### **6. Financial assets**

(1) Classification of financial assets: the company classifies the financial assets possessed by the company into four types according to investment goals and economic nature: financial assets measured at fair value and with changes thereof included in current profits and losses, held-to-maturity investments, receivables, and available-for-sale financial assets.

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1) Financial assets measured at fair value and with changes thereof included in current profits and losses: possessed financial assets with the main goal being sales in a short term refer to financial assets measured at fair value and with changes thereof included in current profits and losses, which are listed as trading financial assets in the balance sheets.

2) Held-to-maturity investments: refer to a non-derivative financial asset with a fixed date of maturity, a fixed or determinable recovery amount and for which the management has a clear intention and ability to hold until its maturity.

3) Receivables refer to non-derivative financial assets with no price in an active market with a fixed or determinable recovery amount, including notes receivable, accounts receivable, interests receivable, dividends receivable, and other receivables.

4) Available-for-sale financial assets include non-derivative financial assets designated to be available for sale during initial recognition and financial assets not classified into other types.

(2) Recognition and measurement of financial assets:

Financial assets are initially recognized at fair value. For financial assets measured at fair value and with changes thereof included in current profits and losses, relevant transaction expenses incurred at the time of acquisition are directly included in current profits and losses. Relevant transaction expenses for other financial assets are included in the initially recognized amount. When rights to a contract for receiving cash flow from a financial asset have expired or almost all risks and remunerations on the ownership of the financial asset have been transferred to a transferee, the recognition of the financial asset is terminated.

Financial assets measured at fair value and with changes thereof included in current profits and losses and available-for-sale financial assets are subsequently measured at fair value; however, equity tool investments with no price on an active market and whose fair value cannot be reliably measured are measured according to costs; receivables and held-to-maturity investments are listed as amortized costs using the actual interest rate method.

Changes to the fair value of financial assets measured at fair value and with changes thereof included in current profits and losses are included in profits and losses from changes to fair value; interests or cash dividends obtained during the possession of the assets are recognized as investment incomes; for disposal, the difference between the fair value thereof the initially recognized amount is recognized as investment profits and losses, and the same time, the profits and losses from changes to fair value are adjusted.

Changes to the fair value of available-for-sale financial assets are included in shareholders' equity; interests calculated using the actual rate method during the possession period are included in investment incomes; cash dividends of available-for-sale equity tool investments are included in investment incomes when the invested unit announces the payment of dividends; for disposal, the difference between the obtained price and the book value minus the cumulative amount of changes to the fair value originally directly included in shareholders' equity is included in investment profits and losses.

(3) Impairment of financial assets

Except for financial assets measured at fair value and with changes thereof included in current profits and losses, the company examines book values of financial assets on the balance sheet day, and impairment provision will be drawn if there is objective evidence indicating that a financial asset is impaired. If the fair value of an available-for-sale financial asset experiences significant or non-temporary decrease, the cumulative loss as a result of decreases of the fair value originally included in shareholders' equity is included in impairment loss. For available-for-sale debt tool investments with impairment losses already recognized, the originally recognized impairment losses will be reversed and included in current profits and losses if the fair value increases after the period which is objectively related to matters occurred after the recognition of the originally recognized impairment losses. For available-for-sale equity tool investments with impairment losses already recognized, the originally recognized impairment losses will be reversed and included in shareholders' equity if the fair value increases after the period which is objectively related to matters occurred after the recognition of the originally recognized impairment losses. Impairment losses incurred to equity tool investments with no price on an active market and whose fair value cannot be reliably measured are not reversed.

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Receivables include accounts receivable, other receivables, and the like. For receivables as a result of product sales or labor provision by the company, the initially recognized amount shall be the fair value of the amount of a contract or agreement receivable from a purchasing party. Receivables are listed as amortized cost minus bad debt provisions using the actual rate method.

For the company, receivables with a single item amount exceeding 1 million Yuan are deemed as major receivables. When there is objective evidence indicating that the company will not be able to recover the whole amount according to original terms of the receivable, impairment test will be performed separately according to the difference by which the present value of future cash flow thereof is below its book value, and bad debt provisions are drawn.

Receivables with no major single item amount, together with receivables with no impairment after separate testing, are classified into several combinations according to credit risk features. With an actual loss rate of receivable combinations in prior years that are identical or similar and have similar credit risk features as a basis, a bad debt provision percent is determined for each combination in the current year with reference to current situations, and bad debt provisions to be drawn for the current year are calculated.

Bad debt provision percent for receivables:

Account age	Percent to be drawn
Within 6 months	0.00%
6 months to 1 year	1.00%
1 year to 2 years	5.00%
2 years to 3 years	10.00%
3 years to 4 years	30.00%
4 years to 5 years	50.00%
Longer than 5 years	100.00%

#### 8. Inventories

(1) Classification of inventories: inventories are classified into raw materials, goods in process, goods in stock, and low value consumables.

(2) Pricing methods for obtaining and issuing inventories: the perpetual inventory method is used for inventories, purchase and warehousing are priced according to actual costs, and the weighted average method is used for use and sales of raw materials, as well as sales of finished products.

(3) Low value consumables and packing materials are amortized using the one-off amortization method and included in relevant cost expenses.

(4) Pricing principles for period-end inventories and recognition standards and drawing methods for inventory depreciation preparation: period-end inventories are priced according to the cost and net realizable value, whichever is lower; at the end of a period, on the basis of a comprehensive inventory, inventory depreciation preparation is made for the part thereof with the cost expected to be unrecoverable for reasons including damages to the inventories, all or part of inventories being outdated, or the sales price lower than the cost. For finished goods and bulk raw materials, the inventory depreciation preparation is drawn according to the difference by which the cost of an individual inventory item is higher than its net realizable value; for other raw materials and accessories with high quantities and low unit prices, inventory depreciation preparations are drawn according to types.

(5) Goods inventories that are directly for sales, including finished goods, goods in process, and materials for sales, the net realizable value thereof is determined according to estimated sales prices of the inventories minus estimated sales expenses and relevant taxes and fees; for material inventories held for production, the net realizable value thereof is determined according to estimated sales prices of produced finished goods minus costs to be incurred, estimated sales expenses and relevant taxes and fees; for inventories held for fulfillment of a sales contract or a labor contract, the net realizable value thereof is calculated on the basis of the contractual price; in the case where the quantity of inventories held by the enterprise is greater than the quantity under a sales contract, the net realizable value of the exceeding part of the inventories is calculated on the basis of general sales price.

## 9. Long-term equity investment

### (1) Valuation of long-term equity investment

Obtain the long-term equity investment by a merger of enterprises under common control, and the share of the book value of owner interest of the party being merged on the date of the merger will be the initial investment cost of the long-term equity investment. Obtain the long-term equity investments by a merger of enterprises not under common control, and use the fair value of the assets paid to obtain control of the party being merged (acquired), liability incurred or assumed and equity securities issued on the date of the merger (acquisition) as the cost of the merger. The merger cost on the date of the merger (acquisition) will be the initial investment cost of the long-term equity investment.

Other than the aforementioned long-term equity investment obtained through an enterprise merger, in the event that a long-term equity investment is obtained by paying cash, paying nonmonetary assets or equity securities issued, its fair value will be used as the initial investment cost for long-term equity investment. In the event that a long-term equity investment is obtained by restructuring of debt, the fair value of the shares enjoyed by converting debt to shares will be recognized as the initial investment cost to the debtor. In the event that the long-term equity investment has been made by the investor, the value of the investment contract or covenanted in the agreement will be the initial investment cost, provided, however, when the value covenanted in the contract or agreement is not fair, then the fair value of the shares invested will be the initial investment cost. In the event that the initial investment cost of a long-term equity investment is greater than the share of the fair value of the recognizable net asset of the investment target unit, the initial investment cost of the long-term investment will not be adjusted; In the event that the initial investment cost of a long-term equity investment is smaller than the difference of the share of the fair value of the recognizable net asset of the investment target unit, it will be included in the current profits and losses and the cost of the long-term equity investment will be adjusted.

### (2) Accounting of long-term equity investment

An investment by our company in a subsidiary refers to an equity investment by our company over which our company has actual control. Our company uses cost accounting for its investments in subsidiaries and makes adjustments according to the equity method when preparing consolidated financial statements.

An investment by our company in a joint venture refers to an equity investment only upon the consensus of investors that need to share control of important financial and production and operations decision-making related to such an economic activity for common control over a certain economic activity in accordance with the covenants of a contract. For a joint venture investment, our company uses the equity method for accounting.

An investment by our company in a joint venture refers to an equity investment by our company that has a major impact thereon. For a joint venture investment, our company uses the equity method for accounting.

For a long-term equity investment that does not have a major impact, that does not have any quotations in the active market and whose fair value cannot be reliably measured, our company uses the cost method for accounting. For a long-term equity investment that does not have a major impact, that has quotations in the active market and whose fair value can be reliably measured, our company lists it as a sellable financial asset item and uses its fair value for management. Their changes in fair value are included in shareholder equity.

## 10. Investment real estate

(1) Classifications of investment real estate: It includes the land use rights already leased, land use rights prepared for transfer after appreciation, and buildings already leased.

(2) Valuation of investment real estate: The value of investment real estate is entered into the books at cost. The cost of externally purchased investment real estate includes the purchase money, relevant taxes and other expenditures that are directly attributable to such an asset; the cost of building investment real estate in-house is composed of necessary expenditures for allowing such an asset being built to reach the expected usable state.

Our company performs follow-up measurements of investment real estate by using the cost method and allows for depreciation or amortization of buildings and land use right based on their expected useful lives and note to residual value rates. The expected useful lives, note to residual value rate and annual depreciation (amortization) rates are listed as follows:



Type	Period of depreciation (years)	Residual value rate	Annual depreciation rate (%)
Houses and buildings	30 years	3.00%	3.23%

## (3) Conversion and disposition of investment real estate

When the use of investment real estate is changed to in-house use, from the date of such change, convert such investment real estate to fixed assets or intangible assets. When real estate used in house is changed to generate rent or capital appreciation, from the date of such change, convert fixed assets or intangible assets to investment real estate. Upon the occurrence of such a conversion, use the book value prior to the conversion as the recorded value after the conversion.

When investment real estate is disposed of or permanently withdrawn from use and no economic benefit is expected to be received from such disposition, terminate recognition of such investment real estate. Income from disposition of investment real estate that has been sold, transferred, retired, destroyed or damaged is included in the current profits and losses after their book value and relevant taxes are deducted.

## 11. Fixed assets

(1) Standards for recognition of fixed assets: Fixed assets shall refer to tangible assets that simultaneously have the following characteristics, that is, they are held for making commodities, providing services, leasing or operations and management, and have a useful life of over one year.

(2) Classification of fixed assets: Houses and buildings, specialized electronic devices, specialized glass equipment, machinery and equipment, office equipment and miscellaneous.

(3) Valuation of fixed assets: The cost of fixed assets is their recorded value, wherein the cost of externally purchased fixed assets includes the purchase price and taxes, such as value-added tax and import custom duties, etc. as well as other expenditures that are incurred to allow such fixed assets to reach the State prior to becoming usable and that are directly attributable to such assets. The cost of building fixed assets in house is composed of the necessary expenditures that are incurred to build such assets and allow them to reach the State prior to becoming usable. The recorded value of fixed assets that are input by investors is the value covenanted in the investment contract or agreement, provided, however, in the event that the value covenanted in such a contract or agreement is not fair, their recorded value shall be the fair value. The recorded value of fixed assets that are leased through financed leases shall be the lower of the fair value of such leased assets on the starting date of the lease and the current value of the minimum lease payments.

(4) Depreciation method of fixed assets: Other than fixed assets for which sufficient depreciation has been allowed for and that continue to be used, our company allows for depreciation of all fixed assets. The straight-line method is used when allowing for depreciation, and based on the expected service life, calculation is made monthly at the single item depreciation rate and is respectively included in the cost of current expenses of relevant assets according to use. The expected net to residual value rate is 3%. The depreciated life and depreciation rate of fixed assets by category shall be as follows:

Type	Depreciated life (years)	Annual depreciation rate (%)
Houses and buildings	30 years	3.23%
Specialized electronic devices	15 years	6.47%
Specialized glass equipment	6 years	16.17%
Machinery and equipment	18 years	5.39%
Office equipment and miscellaneous	5 years	19.40%

(5) Treatment of follow-up expenditures for fixed assets: Follow-up expenditures for fixed assets mainly include items such as repair expenditures, update and improvement expenditures and renovation expenditures, etc. When it is highly likely for the relevant economic benefits to flow into our company and their cost can be reliably measured, they are included in the cost of fixed assets. For the replaced parts, terminate recognition of their book value. Other follow-up expenditures are included in the current profits and losses upon their being incurred.



(6) At the end of each year, our company performs a review of the estimated service life, expected net residual value and depreciation methods of fixed assets and makes appropriate adjustments.

(7) When fixed assets are disposed of or are not expected to generate an economic benefit through use or disposition, terminate recognition of such fixed assets. Income from disposition of fixed assets that have been sold, transferred, retired, destroyed or damaged is included in the current profits and losses after their book value and relevant taxes are deducted.

#### 12. Construction in progress

(1) Evaluation of construction in progress is measured at the cost actually incurred. Self-run construction is measured based on direct materials, direct salaries and direct construction expenses, etc.; outsourced construction is measured at the construction price payable; for equipment installation projects, the product cost is determined based on the expenditures incurred, such as the value of equipment installed, installation expenses and trial runs of the product, etc. The cost of ongoing instruction shall also include capitalized loan expenses and profits and losses from currency exchange.

(2) Standards and time points for construction in progress transferred to fixed assets: From the date that fixed assets built by our company reach the expected usable state, based on the project budget, construction cost or actual cost of the project, etc., transfer to fixed assets after the estimated value and begin to allow for depreciation in the following month. After final accounting for completion of the project is completed, make adjustments to the difference in the original value of the fixed assets.

#### 13. Loan expenses

(1) Principles of recognition of loan expense capitalization: For loan expenses that are incurred and that are directly attributable to the acquisition and construction of fixed assets that can only reach the expected usable state after a rather long duration of acquisition and construction activities, they can only begin capitalization and are included in the cost of such assets when the asset expenditures and loan expenses have been incurred and when the acquisition and construction activities necessary to allow such assets to reach the expected usable state have begun. When the acquired and constructed assets reach the expected usable state, stop capitalization and the loan expenses that are incurred thereafter shall be included in the current profits and losses.

(2) Period of capitalization of loan expenses: In the event that loan expenses that are incurred for the acquisition and construction of fixed assets meet the aforementioned conditions for capitalization, if such expenses are incurred before such assets reach the expected usable state or sellable state, they shall be included in the asset cost. In the event that an abnormal interruption occurs in the acquisition and construction activities of fixed assets or investment real estate and such interruption lasts for more than three consecutive months, suspend capitalization of loan expenses and recognize them as current expenses, until the acquisition and construction activities of assets start again. Before they reach the expected usable state or sellable state, stop the capitalization of loan expenses, and loan expenses that are incurred thereafter that are used in the current period are directly included in financial expenses.

(3) Calculation method of the capitalized amount of loan expenses: When special loans are taken out for the acquisition, construction or production and development of assets that meet the conditions for capitalization, the interest expense that is currently and actually incurred for the special loan minus the interest income made when unused proceeds from the loan funds are deposited into the bank or the amount of investment profit from a temporary investment made will be the amount recognized.

#### 14. Intangible assets

(1) Valuation method of intangible assets: Major intangible assets of our company are land use rights, patented technologies and non-patented technologies, etc. For intangible assets acquired, the price actually paid and other related expenditures shall be the actual cost. For intangible assets input by investors, the actual cost shall be determined in accordance with the value covenanted in the investment contract or agreement, provided, however, in the event that the value covenanted in such a contract or agreement is not fair, the fair value shall be used in determining the actual cost.

(2) Amortization method and period of intangible assets: The land use rights of our company shall be amortized on average based on their transfer period from the starting date of such a transfer; the patented technologies, non-patented technologies and other intangible assets of our company shall be amortized on average based on the shortest of the estimated service life, benefit period as provided in the contract and the valid period as provided by law. The amount amortized shall be included in the cost of the relevant assets and current profits and losses based on their beneficiaries.

(3) At the end of each year, our company shall perform a review of the estimated service life of intangible assets with a limited service life and their amortization method and make appropriate adjustments, and during each fiscal period, it will perform a review of the estimated service life of intangible assets whose useful lives are uncertain. Where evidence shows that the useful life of an intangible asset is limited, then estimate its useful life and amortize it within the estimated service life.

#### 15. Research and development

The research and development project expenditures within our company are divided into research phase expenditures and development phase expenditures based on their nature and on whether there is great uncertainty over whether such research and development activities will eventually generate intangible assets.

For intangible assets developed through in-house research, the expenditures for the research phase shall be included in the current profits and losses upon their being incurred; for expenditures during the development phase, they shall be recognized as intangible assets if the following conditions are simultaneously met:

- (1) Such intangible assets have been completed, so that it is technically feasible to use or sell them;
- (2) There is an intent to complete such intangible assets and use or sell them;
- (3) There is a market for products made with such intangible assets or such intangible assets have a market themselves;
- (4) There are sufficient technical and financial resources and other resource support, to complete development of such intangible assets and a reasonable ability to use or sell such intangible assets; and
- (5) Expenditures attributable to the development phase of such intangible assets can be reliably measured.

Expenditures at the development phase that do not meet the aforementioned conditions shall be included in the current profits and losses upon their being incurred. Development expenditures that have been previously included in such profits and losses shall not be recognized as assets in a subsequent period. Expenditures at the development phase that have been capitalized shall be listed as development expenditures on the balance sheet and shall be transferred to intangible assets from the date such an item reaches the expected usable state.

#### 16. Asset impairment

At the end of the year, our company performs an examination of items such as long-term equity investments (other than long-term equity investments that do not have a major impact, that do not have any quotations in the active market and whose fair value cannot be reliably measured), fixed assets, construction in progress and intangible assets, etc. When there exist the following signs indicating that an asset impairment may have occurred, our company may perform an impairment test, and performs an impairment test of goodwill and intangible assets with an uncertain benefit period at the end of each year. Where it is difficult to perform a test of the recoverable amount of a single asset, the asset group or asset group portfolio to which such an asset belongs shall be used as the basis for such a test.

After an impairment test, in the event that the book value of such an asset exceeds its recoverable amount, its difference shall be recognized as an impairment loss. The recoverable amount of an asset shall refer to the higher of the net amount of the fair value of an asset minus the cost of its disposition and the present value of the expected future cash flow of an asset.

The following shall be the signs of occurrence of an impairment:

- (1) The market price of an asset has dropped substantially in the current period and the range of its job is significantly more difficult than the expected drop due to the passage of time or normal use.
- (2) Currently, major changes have occurred or will occur in the near future in the economic, technological or legal environment where enterprise operations are located and in the market where the asset is located, thus generating a negative impact on the enterprise.
- (3) The market interest rate or rate of the term of investment in other markets has risen in the current period, thus affecting the current value discount rate in the calculation by the enterprise of the expected future cash flow of such an asset, causing the recoverable amount of such an asset to substantially drop.
- (4) There is evidence that such an asset is obsolete or that it has been physically damaged.
- (5) The asset has already been or will be idled, its use has been terminated or its early disposition has been planned.

(6) There is evidence reported internally by the enterprise that the economic performance of such an asset is already lower or will be lower than expected, for example, the net cash flow created or the operating profit (loss) realized by the asset is far lower (or higher) than the expected amount, etc.

(7) Other signs that the asset may have experienced an impairment.

#### 17. Goodwill

Goodwill is the difference by which the cost of an equity investment or the cost of enterprises not under common control exceeds the share of the fair market value of the investment target unit or the identifiable net asset of the party being purchased in the merger of the enterprises on the date it is obtained or on the date of acquisition that should have been obtained.

Goodwill related to a subsidiary shall be separately listed on a consolidated financial statement. Goodwill related to an affiliate or joint venture is included in the book value of a long-term equity investment.

An impairment test shall be performed at least annually of goodwill that is separately listed on a financial statement. During such an impairment test, the book value of goodwill shall be amortized to the recipient asset group or asset group portfolio according to the synergy from the enterprise merger.

#### 18. Employee compensation

##### (1) Employee compensation

Mainly composed of other expenditures related to the services provided by employees, such as salaries, bonuses, allowances and subsidies, employee benefits, social insurance premium and housing fund, trade union funds, employee education funds, etc.

During the accounting period wherein employees provide services, our company recognizes employee compensation payable as a liability and based on the recipient of the services provided by employees, included it in the cost and expenses of relevant assets. Compensation given as a result of termination of labor relations with an employee shall be included in the current profits and losses.

##### (2) Termination benefits

Termination benefits shall refer to compensation given as a result of termination of the labor relationship with employees, including the decision by our company of compensation given as a result of termination of the labor relationship with an employee prior to the expiration of an employee labor contract, regardless of whether the employee is willing, compensation which is given by our company to encourage employees to voluntarily accept layoff prior to the expiration of an employee labor contract, as well as the internal retirement plan implemented by our company.

Principles of recognition of termination benefits:

- 1) The enterprise has formulated an official plan to terminate an employee relationship or has submitted a voluntary layoff recommendation and will implement the same.
- 2) The enterprise cannot unilaterally withdraw a plan to terminate her labor relationship or a layoff recommendation.

Measurement methods for termination benefits:

- 1) Allow for employee compensation payable with regard to the termination plant where employees have no option, the number of employees whose labor relationships are subject to termination according to the provisions of the causes of the plan and the termination common vision, etc.
- 2) With regard to recommendations for voluntary acceptance of layoffs, first, estimate the number of employees who will be willing to accept the layoff recommendation and then based on the number of employees estimated and the termination compensation of each employee, etc., allow for the employee compensation payable.

Standards of recognition of termination benefits:

- 1) With regard to a plan for termination of labor relationships or a recommendation for voluntary layoffs that is implemented in installments or phases, when estimating conditions for recognition of a liability in each installment or each phase of the plan, recognize the estimated liability arising from the provision of termination benefits in such an installment or phase of the plan and include the current management fee of this part of the plan that meets the conditions for recognition of the estimated liability.

2) With regard to an internal retirement plan that meets the provisions, in accordance with the provisions of such an internal retirement plan, recognize the salaries and social insurance premiums paid for the internally retired employees to whom the enterprise proposes to pay as an estimated liability and include it in the current management fee.

#### 19. Estimated liabilities

(1) Principles of recognition of estimated liabilities: When they meet the following conditions concurrently with an external guarantee, pending litigation or arbitration, a product quality warranty, a layoff plan, an onerous contract, a restructuring obligation or an obligation to dispose of the fixed assets, etc. or any business related to a contingency matter, our company shall recognize them as liabilities:

- 1) Such an obligation is a current obligation undertaken by our company;
- 2) It is highly likely for the performance of such an obligation to cause an economic benefit to flow out of our company; and
- 3) The amount of such an obligation can be reliably measured.

(2) Method for measuring estimated liabilities: Estimated liabilities will be initially measured based on the best estimated amount that needs to be expensed in order to perform the related current obligation, with comprehensive consideration of the risks related to contingent matters, uncertainty and the time value of currencies, etc. Where there is a major impact of the time value of currencies, determine the best estimated amount by discounting the relevant future cash outflow. Perform a review of the book value of the estimated liabilities on the date of the balance sheet and make an adjustment to the book value to reflect the best the current estimated amount. The amount of increase in the book value of the estimated liability resulting from the passage of time shall be recognized as an interest expense.

#### 20. Method for recognition of income

The operating income of our company mainly comprises income from sales of commodities, income from provision of services and income from transfer of asset use rights. Where economic benefits related to transactions can flow into our company, the related income can be reliably measured and meets the specific income recognition standards for various business activities, recognize the related income.

##### (1) Income from sales of commodities

When the following conditions are simultaneously met, our company recognizes income realized from sales of commodities and performance measurements based on the contract or agreement prices already received or receivable by the buyer, unless the contract or agreement price already received or receivable is not fair:

- 1) Our company has transferred to the buyer major risks and rewards attached to ownership of commodities;
- 2) Our company has neither retained continuous management right normally associated with ownership, nor implemented effective control of commodities already sold;
- 3) The amount of income can be reliably measured;
- 4) It is highly likely for the related economic benefit to flow into the enterprise; and
- 5) The related cost that has been incurred or that will be incurred can be reliably measured.

If receipt of the contract or agreement price uses the deferred method, then determine the amount of income from sales of commodities based on the fair value of the contract or agreement price receivable, amortize the difference between the contract or agreement price receivable and its fair value during the term of the contract or agreement by using the actual interest rate method and included in the current profits and losses.

##### (2) Income from provision of services

In the event that the results of a transaction to provide services simultaneously meet the following conditions, our company will use the percentage of completion method to recognize income from provision of services and determine the total income from provision of services based on the contract or agreement price already received or receivable by the recipient of services, unless the contract or agreement price already received or receivable is not fair:

- 1) The amount of income can be reliably measured;

- 2) It is highly likely for the related economic benefit to flow into our company;
- 3) The progress of completion of the transaction can be reliably determined;
- 4) The cost that has been incurred or that will be incurred for the transaction can be reliably measured.

When our company uses the percentage of completion method to recognize income from provision of services, it determines the progress of completion based on the percentage of the cost already incurred in the total estimated cost (or the percentage of services already provided in the total amount of services that should be provided).

In the event that the results of a transaction to provide services cannot be reliably measured, but the cost of services already incurred is expected to be compensated, the company will recognize the income from provision of services based on the amount of the cost of services already incurred and will carryover the cost of services based on the same amount. In the event that the cost of services already incurred is expected not to be compensated, our company will include the cost of services already incurred in the current profits and losses and will not recognize income from provision of services.

(3) Income from transfer of asset use rights

Where economic benefits related to the transaction can flow into our company and the amount of income can be reliably measured, recognize the realization of income from transfer of asset use rights.

- 1) Interest income will be determined based on the duration and actual interest rate for the use by others of the monetary fund of our company.
- 2) Income from usage fees will be determined according to the fee collection time and method covenanted in the related contract or agreement.
- 3) Operating lease income is recognized during the term of the lease according to the straight-line method.

21. Leases

Leases by our company are operating leases. Rental expenditures for operating leases will be included in the related asset cost or current profits and losses according to the straight-line method during the term of the lease.

22. Government subsidies

Government subsidies are recognized when our company can meet all of the conditions attached thereto and can receive them. Where government subsidies are monetary assets, calculate the amount actually received. With regard to subsidies that are allocated according to fixed quota standards, calculate based on the amount receivable. Where government subsidies are nonmonetary assets, calculate according to the fair value; where fair value cannot be reliably obtained, calculate according to the nominal amount (1 yuan).

Government subsidies related to assets are recognized as deferred income. It is evenly distributed during the service life of the related assets and included in the current profits and losses. Where government subsidies related to income are used to compensate our company for the relevant expenses or losses in a future period, they are recognized as deferred income and included in the current profits and losses in the period of recognition of the relevant expenses; where they are used to compensate our company for related expenses or losses that have already occurred, they are directly included in the current profits and losses.

23. Deferred income tax assets and deferred income tax liabilities

Deferred income tax assets and deferred income tax liabilities are calculated and recognized based on the difference between the taxable basis and their book value (a temporary difference). Deductible losses and tax credits that can be used in subsequent years as a credit for the taxable income amount in accordance with the provisions of the tax code will be regarded as a temporary difference in recognition of the appropriate deferred income tax assets. With regard to a temporary difference generated from initial recognition of goodwill, the appropriate deferred income tax liability will not be recognized. With regard to a temporary difference generated from the initial recognition of an asset or liability generated in a transaction that does not involve a merger of enterprises and that does not affect accounting profits or the amount taxable (or that can be used as credit for a loss), the appropriate deferred income tax assets and deferred income tax liabilities will not be recognized. The deferred income tax assets and deferred income tax liabilities as of the date of the balance sheet will be calculated at the applicable tax rate for the period of expected recovery of such assets or payoff of liabilities.

Recognition of deferred income tax assets shall be limited to the amount of taxable income that is highly likely to be available to our company as credit for deductible temporary difference, deductible losses or tax credits.

Recognition will be given to deferred income tax assets and deferred income tax liabilities generated by temporary differences related to investments by subsidiaries, affiliates and joint ventures, provided, however, no recognition will be given if our company can control the time of the reversal of temporary differences and it is highly unlikely for such temporary differences to be reversed in the foreseeable future.

#### 24. Accounting method of income tax

The accounting method used by our company for income tax is the balance sheet liabilities method for accounting.

Our company recognizes the deferred income tax asset generated from temporary deductible differences to the extent of the amount of taxable income that is highly likely to be available as credit for temporary deductible differences. For deferred income tax assets already recognized, when it is expected that, in a future period, a sufficient amount of taxable income is highly likely to be unavailable to be credit for deferred income tax assets, the book value of deferred income tax assets shall be written down. When it is highly likely for a sufficient amount of taxable income to be available, the amount written down shall be reversed.

#### 25. Enterprise merger

An enterprise merger shall refer to a transaction or item of the merger of two or more separate enterprises to form one reporting principal. On the date of such a merger or acquisition, our company recognizes the assets and liabilities obtained as the result of an enterprise merger. The date of such a merger or acquisition shall be the date that control of the party being merged or being acquired is actually obtained.

(1) Merger of enterprises under common control: For the assets and liabilities acquired by the merging party in an enterprise merger, based on the difference between a measurement of the book value of the party being merged, the book value of the net assets acquired by the merging party and the book value of the merger consideration paid, adjust the capital reserve; where the capital reserve is not sufficient for an offset deduction, adjust the retained earnings.

(2) Merger of enterprises not under common control: The cost of the merger shall be the fair value of the assets paid by the acquirer on the date of acquisition to obtain control of the party being acquired, the liabilities incurred or assumed and the equity securities issued. Where the cost of the merger that is greater than the difference of the share of the fair value of the recognizable net assets of the party being acquired in the merger, it will be recognized as goodwill; where the cost of the merger that is lower than the difference of the share of the fair value of the recognizable net assets of the party being acquired in the merger, it will be recognized as part of current profits and losses.

#### 26. Determination of the fair value of financial tools

Where there is an active market for financial tools, the first bid in the active market will be used to determine its fair value. Where there is no active market for financial tools, a technical valuation will be used to determine its fair value. The technical evaluation includes reference to the prices used by the parties in the latest market transactions that are familiar with the situation and that are willing to perform such transactions, reference to the current fair value of other substantially similar financial tools, the cash flow discount method and futures pricing models, etc. When using a technical evaluation, market parameters should be used as much as possible and parameters that are specifically related to our company shall not be used.

#### 27. Method of preparation of consolidated financial statements

(1) Principles for the determination of the scope of consolidation: Our company will incorporate subsidiaries over which it has actual control and special-purpose principals into the scope of consolidated financial statements.

(2) Accounting method used for consolidated financial statements: The consolidated financial statements of our company are prepared in accordance with the requirements of Enterprise Accounting Principle Number 33 – Consolidated Financial Statements and the relevant provisions. At the time of the consolidation, all major internal transactions and related dealings within the scope of the consolidation have been offset.



**VI. Taxes**

Major taxes and tax rates applicable to our company shall be as follows:

**1. Enterprise income tax**

In accordance with the Xi'an City State Administration of Taxation High Technology Industry Development Zone Sub-bureau Document Shi Guo Shui Shang Han (2003) Number 1, and upon approval by the Shaanxi Province Administration of Taxation, the main business of our company is entitled to tax preferences under the major western development policy. Between 2001 and 2010, the enterprise will pay its income tax at a reduced rate of 15%.

Regarding Xi'an IRICO Information Co., Ltd. ("IRICO Information"), in accordance with approval in Xi'an City State Administration Document Guo Shui Gao Han (2004) Number 353, the primary business of IRICO Information is entitled to tax preferences under the major western development policy. Between 2003 and 2010, the enterprise will pay its income tax at a reduced rate of 15%.

Xi'an Caihui Display Technology Co., Ltd. ("Xi'an Caihui") pays enterprise income tax at a rate of 33%.

The National People's Congress adopted the Enterprise Income Tax Law of the People's Republic of China on March 16, 2007 ("The New Income Tax Law"). The new Income Tax Law will be implemented as of January 1, 2008.

In accordance with the State Council notice regarding implementation of transitional preferential policies in implementation of enterprise income tax document "Guo Fa [2007] Number 39," which states: "In accordance with the spirit of relevant State Council documents on major western development, the notice by the Ministry of Finance, State Administration of Taxation and General Administration of Customs jointly issued by the Ministry of Finance, State Administration of Taxation and General Administration of Customs (Cai Shui [2001] Number 202) providing for continued implementation of preferential enterprise income tax policies in western development," between 2001 and 2010, our company will still pay the enterprise income tax at a reduced rate of 15%. Xi'an Caihui will pay the enterprise income tax at a rate of 25% starting in 2008.

**2. Value-added tax**

Value-added tax shall be applicable to the income of our company from sales of commodities, of which: the tax rate for the sales output of domestically sold commodities is 17%.

The amount of value-added tax input paid for the purchase of raw materials, etc., can offset the output tax and the tax rate is 17%, of which for the input tax paid for exported products, an application may be filed for a tax rebate. Methods such as "exemption, credit and refund" are used in the sales of self-run exported products, with a tax rebate rate of 13%.

The amount of value-added tax payable shall be the balance of the current input tax offset by the current output tax.

Subsidiary Xi'an Caihui Display Technology Co., Ltd., which has been incorporated into the scope of a merger, was registered in the Xi'an Export Processing Zone. In accordance with the provisions of the People's Republic of China Administration of Taxation Interim Administrative Measures for Taxation in Export Processing Zones (Guo Shui Fa (2000) Number 155), with regard to commodities, domestically made equipment and building materials sold by enterprises outside such zones to enterprises inside such export processing zones, an application may be filed with tax authorities for a refund (waiver) of the value-added tax. The value-added tax shall be waived for goods directly exported and sold by enterprises within such zones to enterprises within such zones.

**3. Business tax**

A tax rate of 5% is applied to income made by our company in externally providing services and leasing, etc.

**4. Urban construction tax and education surcharge**

The urban construction tax and education surcharge of our company uses the value-added tax and business tax payable as the basis for tax calculation, and the applicable tax rates are respectively 7% and 3%.

## 5. Real estate tax

Our company uses 75% of the original value of real estate as the basis for tax calculation, and the applicable tax rate is 1.2%.

## 6. Land use tax

The basis for calculation of land use tax by our company: 4.8 yuan/square meter/year.

## 7. Personal income tax

The personal income tax of employees of our company shall be borne by individuals and is withheld and paid on their behalf by our company.

**VII. Enterprise merger and consolidated financial statements****(I) Important subsidiary**

Company name	Place of registration	Nature of business	Registered capital	Scope of business operations	Amount of investment	Percentage of shares held	Percentage of voting shares
Xi'an Caihui Display Technologies Co. Limited	Xi'an	Production and manufacturing	10 million yuan	Production, research and development and sales of color and monochrome picture tubes and accessory electronic parts	9 million yuan	90.00%	90.00%

Xi'an Caihui Display Technologies Co. Limited was established with a joint venture between our company and Xi'an IRICO Information Technology Company (hereinafter referred to as "IRICO Information") on June 13, 2005, and is an enterprise legal person unit that was established upon approval by the Xi'an City Administration of Industry and Commerce. Registered capital: RMB 10 million yuan, of which our company made a monetary capital contribution in the amount of RMB 9 million yuan, accounting for 90% of the registered capital; IRICO Information made a monetary capital contribution in the amount of RMB 1 million yuan, accounting for 10% of the registered capital.

Xi'an Caihui Display Technologies Co. Limited is in the picture tube manufacturing industry, and its scope of business operations mainly includes: research, development, design, manufacturing, sales and after-sale services of color picture tubes, deflection coils and accessory parts; management of the import and export of goods and technologies (except for items restricted by the State); contracting for custom manufacturing with materials, designs or samples supplied and compensation trade). Primary products include: 54cm FS color picture tubes, 64cm PF color picture tubes, 65cm FS color picture tubes and 74cm PF picture tubes. In December 2007, 37cm FS color picture tubes and 40cm PF color picture tubes were added as new products.

**(II) Changes in scope of merger**

On November 30, 2007, our company transferred 55% of the shares held thereby in subsidiary IRICO Information to parent company IRICO Electronics. In accordance with the share transfer agreement executed by and between our company and IRICO Electronics, the operating income and losses of IRICO Information after June 30, 2007 show all be borne by the transferee. Therefore, our company only included the statement of profits of IRICO Information between January-June 2007 in the consolidated accounting statements for the current year.

The net assets of IRICO Information as of June 30, 2007 were 154,730,372.73 yuan, and the net profits between January-June 2007 were 2,160,247.36 yuan.

**VIII. Notes on major items on the consolidated financial statements****1. Monetary funds**

Item	December 31, 2007			December 31, 2006		
	Original currency	Exchange rate	Equivalent amount in RMB	Original currency	Exchange rate	Equivalent amount in RMB
Cash in stock	16,586.84	1.00	16,586.84	6,697.17	1.00	6,697.17
Bank deposits	108,256,456.82		108,256,456.82	125,324,683.79		125,324,683.79
Of which: U.S. Dollars	2,366,749.83	7.30	17,289,515.63	1,417,135.41	7.81	11,065,985.27
Other monetary funds	21,600.00	7.30	160,148.88	0.00		0.00
Of which: U.S. Dollars	21,600.00	7.30	160,148.88	0.00		0.00
<b>Total</b>			108,433,192.54			125,331,380.96

**2. Bills receivable****(1) Types of bills receivable**

Type of bills	December 31, 2007	December 31, 2006
Bank acceptance bills	330,167,927.20	545,985,327.52

(2) The total amount of bills that the company has endorsed to others but that are not due at the end of the period is 788,492,228.28 yuan. The due date range is January through June 2008. The amount of bills that have been discounted and that are not due is 20,000,000.00 yuan.

**3. Accounts receivable****(1) Classification of risks of accounts receivable**

Item	December 31, 2007			December 31, 2006		
	Amount	Percentage	Bad debt reserve	Amount	Percentage	Bad debt reserve
Single accounts receivable with a large amount	331,634,052.24	98.84%	298,144.68	259,568,952.20	80.41%	242,291.23
Single accounts receivable which are not large, but which have a substantial combination risk after being combined based on the characteristics of credit risks	279,657.23	0.08%	279,657.23	280,143.43	0.09%	280,143.43
Other single accounts receivable whose amount is not large	3,627,294.13	1.08%	19,023.93	62,965,340.81	19.51%	0.00
<b>Total</b>	335,541,003.60	100.00%	596,825.84	322,814,436.44	100.00%	522,434.66

For policies on classification of risks for accounts receivable, see annotation V. 7.

**(2) Age of accounts receivable**

Item	December 31, 2007			December 31, 2006		
	Original currency	Exchange rate	Equivalent amount in RMB	Original currency	Exchange rate	Equivalent amount in RMB
0-90 days	264,908,558.54	78.95%	0.00	126,046,880.05	39.05%	0.00
91-180 days	60,250,185.11	17.96%	0.00	188,020,477.96	58.24%	0.00
180 days-1 year	4,936,358.38	1.47%	49,363.59	4,526,388.00	1.40%	45,263.88
1-2 years	4,976,388.19	1.48%	248,819.40	3,940,547.00	1.22%	197,027.35

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2-3 years	189,856.15	0.06%	18,985.62	0.00	0.00%	0.00
3-4 years	0.00	0.00%	0.00	280,143.43	0.09%	280,143.43
4-5 years	279,657.23	0.08%	279,657.23	0.00	0.00%	0.00
More than 5 years	0.00	0.00%	0.00	0.00	0.00%	0.00
<b>Total</b>	<b>335,541,003.60</b>	<b>100.00%</b>	<b>596,825.84</b>	<b>322,814,436.44</b>	<b>100.00%</b>	<b>522,434.66</b>

(3) For methods to allow for bad debt reserve and percentage, see annotation V. 7.

(4) The accounts receivable at the end of the period include 17,883,433.55 yuan from IRICO Electronics, which holds more than 5% of the voting shares of our company.

(5) The total amount of the top five remainders of accounts receivable at the end of the period is 192,579,045.88 yuan, accounting for 57.39% of the total accounts receivable. (Among which, the amount of accounts receivable within one year is 192,579,045.88 yuan, and there are no accounts receivable over one year)

(6) Among the remainders at the end of the period, the total amount from affiliates is 17,883,433.55 yuan, accounting for 5.33% of the total accounts receivable.

(7) The accounts receivable include the following foreign currency remainder:

Name of foreign currency	December 31, 2007			December 31, 2006		
	Original currency	Exchange rate	Equivalent amount in RMB	Original currency	Exchange rate	Equivalent amount in RMB
US Dollars	17,867,129.16	7.30	130,442,969.06	7,913,669.10	7.81	61,801,546.94

## 4. Prepayments

Item	December 31, 2007		December 31, 2006	
	Amount	Percentage	Amount	Percentage
Within 1 year	4,925,806.33	100.00%	159,706.57	100.00%
1 – 2 years	25.45	0.00%	0.00	0.00%
<b>Total</b>	<b>4,925,831.78</b>	<b>100.00%</b>	<b>159,706.57</b>	<b>100.00%</b>

(1) There are no large prepayments with an age over 1 year.

(2) The prepayments do not include monies used in prepayments to shareholder units that hold more than 5% (including 5%) of the voting shares of our company.

## 5. Other accounts receivable

(1) Classification of risks for other accounts receivable

Item	December 31, 2007			December 31, 2006		
	Amount	Percentage	Reserved for bad debt	Amount	Percentage	Reserved for bad debt
Single accounts receivable with a large amount	45,756,660.64	98.93%	1,750,000.00	1,750,000.00	75.89%	1,750,000.00
Other single accounts receivable whose amount is not large	492,987.77	1.07%	0.00	555,833.47	24.11%	0.00
<b>Total</b>	<b>46,249,648.41</b>	<b>100.00%</b>	<b>1,750,000.00</b>	<b>2,305,833.47</b>	<b>100.00%</b>	<b>1,750,000.00</b>

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## (2) Age of other accounts receivable

Item	December 31, 2007			December 31, 2006		
	Original currency	Exchange rate	Equivalent amount in RMB	Original currency	Exchange rate	Equivalent amount in RMB
0-90 days	44,499,648.41	96.22%	0.00	508,214.13	22.04%	0.00
91-180 days	0.00	0.00%	0.00	47,619.34	2.07%	0.00
3-4 years	0.00	0.00%	0.00	0.00	0.00%	0.00
4-5 years	0.00	0.00%	0.00	0.00	0.00%	0.00
More than 5 years	1,750,000.00	3.78%	1,750,000.00	1,750,000.00	75.89%	1,750,000.00
<b>Total</b>	46,249,648.41	100.00%	1,750,000.00	2,305,833.47	100.00%	1,750,000.00

(3) For methods to allow for bad debt reserve and percentage, see annotation V.7.

(4) The remainder of other accounts receivable at the end of the period increased substantially over the end of the period in the previous year, because of our company's new increase of share transfer payment of 35,345,473.46 yuan receivable from IRICO Group Company. In January 2008, IRICO Group Company already repaid the share transfer payment to our company.

(5) Other accounts receivable do not include monies from shareholder units that hold more than 5% (including 5%) of the voting shares of our company.

(6) The total amount of the top five remainders of other accounts receivable at the end of the period is 45,756,660.64 yuan, accounting for 98.93% of the total other accounts receivable. (Among which, the amount of other accounts receivable within one year is 44,006,660.64 yuan, and the amount of other accounts receivable over one year is 1,750,000.00 yuan)

(7) Among the remainders at the end of the period, the total amount from affiliates is 35,346,366.78 yuan, accounting for 76.43% of the total other accounts receivable.

## 6. Provision for inventory and price impairment

## (1) Types of inventory

Item	December 31, 2007	December 31, 2006
Raw materials	15,791,081.29	35,611,506.63
Goods in process	15,245,844.22	24,472,970.00
Commodities in stock	232,311,639.44	129,114,265.00
Low-value consumables	13,148,659.81	50,637.36
<b>Total</b>	276,497,224.76	189,249,378.99

## (2) Provision for inventory price impairment

Item	December 31, 2006	Amount allowed for during current period	Amount of decrease during current period		December 31, 2007
			Reversal	Other outgoing transfers	
Raw materials	30,451.32	0.00	0.00	0.00	30,451.32
Goods in process	4,532,198.35	7,315.90	724,001.41	134,325.39	3,681,187.45
Commodities in stock	1,019,681.40	7,311,700.80	0.00	0.00	8,331,382.20
<b>Total</b>	5,582,331.07	7,319,016.70	724,001.41	134,325.39	12,043,020.97

For methods to allow for provision for inventory price impairment and percentage, see annotation V.8.

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## 7. Long-term equity investment

## (1) Long-term equity investment

Item	December 31, 2007	December 31, 2006
Long-term equity investment accounted for using cost method	30,000,000.00	30,000,000.00
Long-term equity investment accounted for equity method	0.00	109,702,120.45
<b>Total long-term equity investments</b>	<b>30,000,000.00</b>	<b>139,702,120.45</b>
Less: Provision for impairment in long-term equity investments	5,940,000.00	6,613,956.00
<b>Long-term equity investments</b>	<b>24,060,000.00</b>	<b>133,088,164.45</b>

## (2) Using the cost method and equity method

Name of investment target unit	Percent age of shares held	Initial amount	Balance at the beginning of the year	Increase this year	Decrease this year	Balance at the end of the year	Cash dividends distributed in the current year
<b>Accounted for using the cost method</b>							
West Trust and Investment Co., Ltd.	5.01%	30,000,000.00	30,000,000.00	0.00	0.00	30,000,000.00	565,873.23
<b>Subtotal</b>		<b>30,000,000.00</b>	<b>30,000,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>30,000,000.00</b>	<b>565,873.23</b>
<b>Accounted for using the equity method:</b>							
Xi'an New Epoch Club Co., Ltd.	41.67%	20,000,000.00	13,418,681.19	1,784,173.80	15,202,854.99	0.00	0.00
IRICO Digital Display Technology Co., Ltd.	49.00%	318,500,000.00	93,509,483.22	-5,036,503.20	88,472,980.02	0.00	0.00
IRICO Plastics Industry Limited Liability Company	30.00%	3,000,000.00	2,773,956.04	0.00	2,773,956.04	0.00	0.00
<b>Subtotal</b>		<b>341,500,000.00</b>	<b>109,702,120.45</b>	<b>-3,252,329.40</b>	<b>106,449,791.05</b>	<b>0.00</b>	<b>0.00</b>
<b>Total</b>		<b>371,500,000.00</b>	<b>139,702,120.45</b>	<b>-3,252,329.40</b>	<b>106,449,791.05</b>	<b>30,000,000.00</b>	<b>565,873.23</b>

During the current period, our company will transfer investments in Xi'an New Epoch Club Co., Ltd. and IRICO Digital Display Technology Co., Ltd. to our company's ultimate controlling shareholder IRICO Group Company (for specific information, see the description in annotation XIV), so that the balance of long-term equity investments will drop substantially compared to the end of last year. IRICO Plastics Industry Limited Liability Company has been liquidated in the current year and is undergoing the procedures for revocation.

## (3) Provision for impairment in long-term equity investments

Name of investment target unit	December 31, 2006	Amount allowed for during current period	Amount of decrease during current period		December 31, 2007
			Reversals	Other outgoing transfers	
IRICO Plastics Industry Limited Liability Company	673,956.00	0.00	0.00	673,956.00	0.00
West Trust and Investment Co., Ltd.	5,940,000.00	0.00	0.00	0.00	5,940,000.00
<b>Total</b>	<b>6,613,956.00</b>	<b>0.00</b>	<b>0.00</b>	<b>673,956.00</b>	<b>5,940,000.00</b>



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## 8. Investment real estate

Item	December 31, 2006	Increase in current year	Decrease in current year	December 31, 2007
<b>Original price</b>	6,754,888.06	0.00	0.00	6,754,888.06
Of which: Houses and buildings	6,754,888.06	0.00	0.00	6,754,888.06
Land use rights	0.00	0.00	0.00	0.00
<b>Cumulative depreciation and cumulative amortization</b>	1,839,915.73	218,408.07	0.00	2,058,323.80
Of which: Houses and buildings	1,839,915.73	218,408.07	0.00	2,058,323.80
Land use rights	0.00	0.00	0.00	0.00
<b>Cumulative amount of provision for impairment of investment real estate</b>	0.00	0.00	0.00	0.00
Of which: Houses and buildings	0.00	0.00	0.00	0.00
Land use rights	0.00	0.00	0.00	0.00
<b>Book value of investment real estate</b>	4,914,972.33	-218,408.07	0.00	4,696,564.26
Of which: Houses and buildings	4,914,972.33	-218,408.07	0.00	4,696,564.26
Land use rights	0.00	0.00	0.00	0.00

Investment real estate is measured by using the cost mode.

## 9. Fixed assets

## (1) Itemization of fixed assets

	Houses and buildings	Machinery and equipment	Transportation equipment	Office equipment	Total
<b>Original value</b>					
<b>December 31, 2006</b>	349,814,128.63	1,770,316,364.47	4,140,667.70	10,216,320.07	2,134,487,480.87
<b>Increase during current period</b>	0.00	598,764,490.11	3,107,318.00	0.00	601,871,808.11
Of which income transfers from construction in progress	0.00	1,924,603.49	0.00	0.00	1,924,603.49
<b>Decrease during current period</b>	31,928,588.41	388,153,920.41	812,287.50	146,255.51	421,041,051.83
<b>December 31, 2007</b>	317,885,540.22	1,980,926,934.17	6,435,698.20	10,070,064.56	2,315,318,237.15
<b>Cumulative depreciation</b>					
<b>December 31, 2006</b>	116,185,023.27	1,117,212,258.42	2,397,140.22	8,312,542.33	1,244,106,964.24
<b>Increase during current period</b>	10,787,978.07	361,560,555.69	2,952,324.91	546,383.79	375,847,242.46
<b>Decrease during current period</b>	5,084,055.29	306,422,312.02	474,242.79	594,998.58	312,575,608.68
<b>December 31, 2007</b>	121,888,946.05	1,172,350,502.09	4,875,222.34	8,263,927.54	1,307,378,598.02
<b>Provision for impairment</b>					
<b>December 31, 2006</b>	0.00	103,958,750.25	0.00	0.00	103,958,750.25
<b>Increase during current period</b>	0.00	6,445,857.00	0.00	0.00	6,445,857.00
<b>Reversal during current period</b>	0.00	0.00	0.00	0.00	0.00
<b>Other decreases during current period</b>	0.00	2,642,389.97	0.00	0.00	2,642,389.97
<b>December 31, 2007</b>	0.00	107,762,217.28	0.00	0.00	107,762,217.28
<b>Net value</b>					
<b>December 31, 2006</b>	233,629,105.36	549,145,355.80	1,743,527.48	1,903,777.74	786,421,766.38
<b>December 31, 2007</b>	195,996,594.17	700,814,214.80	1,560,475.86	1,806,137.02	900,177,421.85

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In the current year, to reorganize its operations business, our company performed an asset swap with shareholder IRICO Electronics (for specific information, see description in annotation XIV), so that there have been major changes in increases and decreases in fixed assets and/or a balance increase at the end of the current year as compared to the previous year.

(2) Following is an itemization of temporarily idled fixed asset items:

Item	Original book value	Cumulative depreciation	Provision for impairment	Net book value
Machinery and equipment	27,258,314.34	8,934,912.45	4,168,106.59	14,155,295.30

Use of temporarily idled fixed assets is temporarily suspended mainly because of a lack of capacity. They can be put to use again when they are needed in accordance with our company's production plan arrangements.

(3) Our company does not have fixed assets for which procedures for title certificates have not been completed.

(4) Fixed assets that our company used at the end of the current year in taking mortgages from China Bank of Industry and Commerce Xianyang Branch are houses and buildings, with an original value of 316,316,449.40 yuan and a net value of 194,799,641.86 yuan.

## 10. Construction in progress

Name of construction	December 31, 2006	Increase during current period	Reversal during current period	Other decreases	December 31, 2007	Source of funds
Production line modification and other scattered projects	2,005,222.00	3,435,972.66	1,924,603.49	0.00	3,516,591.17	Raised in-house

## 11. Intangible assets

Item	Land use rights	Patented technologies	Non-patented technologies	Total
<b>Original price</b>				
<b>December 31, 2006</b>	47,735,996.94	1,587,139.00	45,238.50	49,368,374.44
Increase during current period	0.00	234,000.00	1,149,702.62	1,383,702.62
Decrease during current period	22,291,728.74	0.00	45,238.50	22,336,967.24
<b>December 31, 2007</b>	25,444,268.20	1,821,139.00	1,149,702.62	28,415,109.82
<b>Cumulative amortization</b>				
<b>December 31, 2006</b>	7,278,329.28	479,832.60	21,158.56	7,779,320.44
Amortization during current period	861,600.36	221,461.20	122,702.42	1,205,763.98
Decrease during current period	3,082,898.50	0.00	25,766.56	3,108,665.06
<b>December 31, 2007</b>	5,057,031.14	701,293.80	118,094.42	5,876,419.36
<b>Book value</b>				
<b>December 31, 2006</b>	40,457,667.66	1,107,306.40	24,079.94	41,589,054.00
<b>December 31, 2007</b>	20,387,237.06	1,119,845.20	1,031,608.20	22,538,690.46
<b>Period of amortization</b>	40 – 50 years	5 – 7 years	5 – 10 years	

The intangible assets – non-patented technology that our company added in the current year is the transfer fee for the 21-inch fully flat display picture tube technology purchased from IRICO Electronics.

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There was a decrease of 22.91 million yuan in intangible assets – land use rights for our company in the current year, which was because, in the current year, our company transferred all of the shares in subsidiary IRICO Information that was incorporated within the scope of the consolidated statements to parent company IRICO Electronics. The outgoing transfer of land use rights of IRICO Information caused a decrease in intangible assets – land use rights in the current year.

Intangible assets that our company used at the end of the current year in taking mortgages from China Bank of Industry and Commerce Xianyang Branch are land use rights, with an original value of 25,444,268.20 yuan and a net value of 20,387,237.06 yuan.

## 12. Long-term amortizable expenses

Item	December 31, 2007	December 31, 2006
Cost of modification of leased plant buildings	0.00	515,254.42

## 13. The deferred income tax assets

## (1) Deferred income tax assets already recognized

Item	December 31, 2007	December 31, 2006
Deferred income tax assets that can be used as credit for deductible temporary difference	0.00	463,038.86

## (2) Temporary difference items that have been recognized as deferred income tax assets at the end of the period

Deductible temporary difference that can be used as credit	December 31, 2007	December 31, 2006
Provision for inventory impairment	0.00	127,009.49
Provision for long-term equity investment impairment	0.00	673,956.00
Termination benefits	0.00	2,285,960.29
<b>Total</b>	<b>0.00</b>	<b>3,086,925.78</b>
Tax rate	-	15.00%
<b>Recognized deferred income tax assets</b>	<b>0.00</b>	<b>463,038.86</b>

## (3) Temporary difference items that have not been recognized as deferred income tax assets at the end of the period

Item	December 31, 2007	December 31, 2006
Deductible office	144,166,544.49	88,494,290.50
Deductible temporary difference	183,253,425.41	214,164,085.08
<b>Total</b>	<b>327,419,969.90</b>	<b>302,658,375.58</b>

## 14. Short-term loans

Type of loan	December 31, 2007	December 31, 2006
Mortgages	200,000,000.00	140,000,000.00
Guaranteed loans	50,000,000.00	160,000,000.00
Pledged loans	64,000,000.00	0.00
<b>Total</b>	<b>314,000,000.00</b>	<b>300,000,000.00</b>

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(1) The mortgages are loans taken out by our company from Bank of Industry and Commerce Xianyang Branch using land use rights with a net value of 194,799,641.86 yuan (original value was 316,316,449.40 yuan) to fixed assets/houses and buildings and land use rights with a value of 20,387,237.06 yuan (original value 25,444,268.20 yuan) after amortization as collaterals;

(2) The guaranteed loans were the joint and several guaranteed loans provided by IRICO Group Company for our company to Bank of Construction Xianyang IRICO Sub-branch;

(3) Of the pledged loans, 44,000,000.00 yuan are the invoices generated for payment for goods sold by our company to by customers, that are loans from Bank of Industry and Commerce Xianyang Branch guaranteed by IRICO Group Company and 20,000,000.00 yuan are bills receivable that are not due but that have been discounted; and

(4) The annual interest rates for short-term loans in 2007 are 6.12%-7.6545% (the annual interest rates for short-term loans in 2006 were 5.022%-6.12%).

## 15. Accounts payable

(1) The balance of accounts payable as of December 31, 2007 was 230,130,037.98 yuan (the balance as of December 31, 2006 was 293,165,539.58 yuan).

(2) The accounts payable at the end of the current year include payments for goods of 43,369,344.84 yuan to a shareholder unit that hold more than 5% (including more than 5%) of the voting shares of our company – IRICO Electronics.

(3) The amount of accounts payable at the end of the period with an age of over 1 year is 10,008,082.67, mainly because settlements have not been completed yet.

(2) The prepayments at the end of the period do not include any money owed to shareholder units or affiliates that hold more than 5% (including 5%) of the voting shares of our company.

(3) There are no large prepayments with an age of over 1 year.

## 16. Advances

(1) The balance of advances as of December 31, 2007 was 12,596,527.47 yuan (the balance as of December 31, 2006 was 3,471,388.26 yuan). The reason for the balance of advances at the end of the period to exceed the balance of advances at the end of the previous period by more than 30% is an increase in deposits received in advance for goods from customers.

## 17. Employee compensation payable

Item	December 31, 2006	Amount of increase during current period	Amount of payments during current period	December 31, 2007
Salaries (including bonuses, allowances and subsidies)	18,341,370.83	69,973,177.88	79,928,339.78	8,386,208.93
Employee benefit expenses	7,540,271.81	4,576,049.58	12,095,875.96	20,445.43
Social insurance premium	3,609,967.95	17,080,429.99	17,200,600.43	3,489,797.51
Of which: 1. Medical insurance premium	17,549.38	4,331,048.79	4,348,598.17	0.00
2. Basic pension insurance premium	3,592,760.82	10,270,455.29	10,329,974.61	3,533,241.50
3. Unemployment insurance premium	-342.25	1,581,989.70	1,625,091.44	-43,443.99
4. Workers compensation insurance premium	0.00	628,033.51	628,033.51	0.00
5. Childbirth insurance premium	0.00	268,902.70	268,902.70	0.00
Housing accumulation fund	0.00	3,766,739.00	3,744,819.00	21,920.00
Trade union fund and employee education fund	5,443,166.22	1,301,703.25	1,373,089.06	5,371,780.41
Nonmonetary benefits	0.00	0.00	0.00	0.00
Compensation paid as a result of termination of labor relationship	5,460,549.40	728,246.00	3,014,206.29	3,174,589.11
Of which: Share payments settled in cash	0.00	0.00	0.00	0.00
<b>Total</b>	<b>40,395,326.21</b>	<b>97,426,345.70</b>	<b>117,356,930.52</b>	<b>20,464,741.39</b>

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## 18. Taxes payable

Type of tax	Applicable tax rate	December 31, 2007	December 31, 2006
Value-added tax	17.00%	-9,847,712.22	1,094,877.30
Business tax	5.00%	8,341.52	11,445.00
Urban maintenance and construction tax	7.00%	157,064.48	1,347,950.86
Enterprise income tax	15.00%	0.00	-120,563.59
Personal income tax	-	272,495.68	404,362.43
Stamp tax	-	50,000.00	0.00
Education surcharge	3.00%	283,412.88	1,793,792.74
Water conservancy construction fund	0.08%	313,998.88	262,690.72
<b>Total</b>		<b>-8,762,398.78</b>	<b>4,794,555.46</b>

## 19. Stock dividends payable

The balance of stock dividends payable as of December 31, 2007 is 3,438,520.00 yuan (the balance as of December 31, 2006 was 3,438,520.00 yuan), which are stock dividends in cash that have not been claimed by shareholders of our company.

## 20. Other payables

## (1) Itemization of other payables

Item	December 31, 2007	December 31, 2006
Freight payable but not paid	17,995,336.11	23,593,421.57
Technical royalties	9,507,445.33	10,831,092.89
Remainder of payment for swapped assets	2,635,594.25	0.00
Security deposit for laborers	2,121,094.86	924,307.45
Employee social security	1,666,462.10	2,225,163.73
Royalty for trademark use	1,631,893.00	1,885,733.26
Miscellaneous	2,407,368.15	3,976,955.63
<b>Total</b>	<b>37,965,193.80</b>	<b>43,436,674.53</b>

(2) Other accounts payable at the end of the current year do include monies owed to a shareholder unit that holds more than 5% (including 5%) of the voting shares of our company – 2,635,594.25 yuan in remainder of payment for swapped assets IRICO Electronics.

(3) Among other payables in the current year, 9,507,445.33 are technical royalties that have not yet been paid.

## 21. Special payables

Item	December 31, 2006	Increase during current period	Carryover to current period	December 31, 2007
Large-scale production and technology development of midrange resolution 29 inch display tubes used in digital TVs	3,000,000.00	0.00	3,000,000.00	0.00

For the reason for the decrease in special payables at the end of the current year, see description in annotation VIII.33.



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## 22. Expected liabilities

Item	December 31, 2006	Increase during current period	Carryover during current period	December 31, 2007	Reason for being incurred
Loss from business transactions with three guarantees	2,022,167.00	1,943,792.39	0.00	3,965,959.39	Expected loss from business transactions with three guarantees

## 23. Share capital

A par value of RMB 1 yuan per share

Name/type of shareholder	December 31, 2007	December 31, 2006
<b>Shares with restrictive conditions on sale</b>		
Shares held by State-owned legal persons	179,678,125.00	217,173,184.00
<b>Shares without restrictive conditions on sale</b>		
RMB common shares	241,470,675.00	203,975,616.00
<b>Total shares</b>	<b>421,148,800.00</b>	<b>421,148,800.00</b>

In accordance with State Council State-Owned Assets Supervision and Administration Commission Reply Regarding Issues Related to Share Split Reform at IRICO at IRICO Display Component Co., Ltd. (Guo Zi Chan Quan [2006] Number 805) dated July 14, 2006 and the Proposal on Share Split to Reform Plan of IRICO Display Component Co., Ltd. approved by our company's shareholder meeting convened on July 18, 2006, on July 27, 2006, our company implemented a share split. Based on the shares held thereby, all shareholders of non-circulating shares gave 4.2 shares for each 10 shares to shareholders of circulating shares, with the total consideration shares of 60,330,816 shares. After the share split, the registered capital of the company is still RMB 421,148,800 yuan. IRICO Electronics holds 180,675,565 shares in our company, accounting for 42.90% of the registered capital.

In accordance with approvals from the aforementioned documents and Public Announcement on IRICO Display Component Co., Ltd. Share Split Reform Implementation, circulating shares of our company with restrictive conditions on sale may respectively circulate according to the following schedule:

Dates of circulation	Shares for circulation
12 months after July 31, 2006	53,193,908
24 months after July 31, 2006	21,057,440
36 months after July 31, 2006	142,921,836
<b>Total</b>	<b>217,173,184</b>

In accordance with the public listing announcement on our company's circulating shares with restrictive conditions on sale dated July 24, 2007, restrictions were lifted for the sale, listing and circulation of 37,495,058 original circulating shares with restrictive conditions on sale on July 31, 2007 (which includes 21,057,440 shares held by IRICO Electronics).

In 2007, 9 shareholders of circulating shares with restrictive conditions on sale, including Xi'an Aircraft Industry (Group) Co., Ltd., respectively executed with IRICO Electronics the Agreement regarding Payment of Share Split Reform Consideration and reimbursed IRICO Electronics the total amount of 1,791,419 shares that have been advanced and have completed the procedures for share transfers. In addition, IRICO Electronics sold 8,277,440 shares of our company in 2007. As of the end of 2007, IRICO Electronics holds 174,189,544 shares of our company, accounting for 41.36% of the registered capital.



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## 24. Capital reserve

Item	December 31, 2006	Increase in current year	Decrease in current year	December 31, 2007
Share capital premium	628,339,133.97	0.00	0.00	628,339,133.97
Other capital reserves	8,189,431.70	70,811,191.82	0.00	79,000,623.52
<b>Total</b>	<b>636,528,565.67</b>	<b>70,811,191.82</b>	<b>0.00</b>	<b>707,339,757.49</b>

The increase in capital reserve is attributable to the fact that the difference between the asset swap transaction price in the merger of businesses under common control and the book value has been included in the capital reserve by our company and parent company IRICO Electronics when performing an asset swap in accordance with the provisions of Enterprise Accounting Principle Number 20 – Enterprise Mergers.

## 25. Surplus reserve

Item	December 31, 2006	Increase in the current year	Decrease in the current year	December 31, 2007
Statutory surplus reserve	227,022,296.24	0.00	0.00	227,022,296.24

## 26. Undistributed profits

## (1) Percentage of profit distributions

Item	Basis for distribution	2007	2006
Withdrawal of surplus reserve	Net profit	0.00	1,854,831.81

## (2) Statement of profit distribution

Item	2007	2006
<b>Undistributed profits at the beginning of the period</b>	<b>100,782,761.24</b>	<b>85,811,132.70</b>
Plus: Adjusted amount of undistributed profits at the beginning of the period	0.00	1,372,781.11
Net profit in the current year	-27,486,120.42	14,424,511.52
Miscellaneous	-101,419.43	0.00
Less: Minority shareholder equity	947,507.56	-1,029,167.72
Withdrawal of surplus reserve	0.00	1,854,831.81
<b>Undistributed profits at the end of the period</b>	<b>72,247,713.83</b>	<b>100,782,761.24</b>
<b>Of which: Stock dividends in cash proposed for distribution</b>	<b>0.00</b>	<b>0.00</b>

As of 2007, our company has begun to implement new enterprise accounting principles and has made retroactive adjustments, resulting in an increase in undistributed profit of 1,372,781.11 yuan at the beginning of 2006. For specific information, see the description in annotation IV.

## 27. Minority shareholder equity

Name of subsidiary	Percentage of minority shareholders	December 31, 2007	December 31, 2006
Xi'an Caihui Display Technology Co., Ltd.	10.00%	857,100.41	0.00
Xi'an IRICO Information Co., Ltd.	45.00%	0.00	67,782,176.47
<b>Capital</b>		<b>857,100.41</b>	<b>67,782,176.47</b>

As stated in annotation VII, due to the transfer by our company of subsidiary IRICO in the current year, the minority shareholder equity has dropped substantially as of the end of the current year.

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## 28. Operating income, operating cost

## (1) Operating income

Item	2007	2006
Income from main business	1,697,057,271.49	2,061,254,022.45
Other business income	8,638,824.23	5,785,871.05
<b>Total</b>	<b>1,705,696,095.72</b>	<b>2,067,039,893.50</b>
Sales to top five customers	1,170,692,917.98	1,415,491,822.00
Percentage accounted for	68.63%	68.48%

## (2) Operating cost

Item	2007	2006
Cost of main business	1,613,146,469.38	1,856,206,708.13
Cost of other business	2,745,457.11	1,045,429.70
<b>Total</b>	<b>1,615,891,926.49</b>	<b>1,857,252,137.83</b>

## (3) Cost of income from main business – classified by types of products/business

Item	2007	2006
Income from main business		
Of which: Color picture tubes	1,615,050,605.77	1,815,764,893.45
Deflection coils	82,006,665.72	245,489,129.00
<b>Total</b>	<b>1,697,057,271.49</b>	<b>2,061,254,022.45</b>
Cost of main business		
Of which: Color picture tubes	1,543,352,266.60	1,621,975,132.51
Deflection coils	69,794,202.78	234,231,575.62
<b>Total</b>	<b>1,613,146,469.38</b>	<b>1,856,206,708.13</b>
Gross profit of main business		
Of which: Color picture tubes	71,698,339.17	193,789,760.94
Deflection coils	12,212,462.94	11,257,553.38
<b>Total</b>	<b>83,910,802.11</b>	<b>205,047,314.32</b>

## 29. Business tax and surcharges

Item	Taxable basis	Percentage taxable	2007	2006
Business tax	Turnover tax	5.00%	16,397.15	0.00
Urban maintenance and construction tax	Turnover tax	7.00%	1,618,668.49	2,830,422.12
Education surcharge	Turnover tax	3.00%	597,565.41	1,213,038.04
<b>Total</b>			<b>2,232,631.05</b>	<b>4,043,460.16</b>

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## 30. Financial expenses

Item	2007	2006
Interest expenditures	16,979,452.50	19,962,187.88
Less: Interest income	944,749.09	1,692,175.40
Plus: Exchange losses	4,586,509.73	3,415,364.69
Plus: Other expenditures	-672,244.92	-2,936,361.28
<b>Total</b>	<b>19,948,968.22</b>	<b>18,749,015.89</b>

## 31. Losses from asset impairment

Item	2007	2006
Losses from bad debt	74,391.18	508,427.49
Losses from inventory impairment	6,595,015.29	-7,676,070.01
Losses from long-term equity investment impairment	0.00	673,956.00
Losses from fixed asset impairment	2,630,000.00	0.00
<b>Total</b>	<b>9,299,406.47</b>	<b>-6,493,686.52</b>

## 32. Investment profits

Sources generating investment profits	2007	2006
Profits for distribution declared by investment target units accounted for using the cost method	565,873.23	0.00
Amount of net increase or decrease in owner equity at the investment target units adjusted at the end of the year	-3,252,329.44	-56,592,679.80
Profits from equity investment transfers	28,077,585.07	0.00
<b>Total</b>	<b>25,391,128.86</b>	<b>-56,592,679.80</b>

(1) For profits from our company's equity transfer in the current year, see description in annotation XIV.

(2) There are no major restrictions on repatriation of investment profits of our company.

## 33. Non-operating income

Item	2007	2006
Profits from disposition of noncurrent assets	0.00	392,079.52
Government subsidies	3,000,000.00	584,990.85
Miscellaneous	114,184.20	10,504.00
<b>Total</b>	<b>3,114,184.20</b>	<b>987,574.37</b>

The government subsidies during the current period are the special purpose subsidies for "Large-scale production and technology development of midrange resolution 29-inch display tubes used in digital TVs" allocated by the Ministry of Information Technology Electronics Development Fund Management Office to our company, which underwent an acceptance inspection by the Ministry of Information Technology on May 17, 2007. Our company transferred the allocated funds from the special purpose money payable to non-operating income.

## 34. Non-operating expenditures

Item	2007	2006
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## IRICO Display Component Co., Ltd. 2007 Annual Report

Loss from disposition of noncurrent assets	29,178.81	329,333.59
Expenditures of charitable donations	0.00	2,000.00
Miscellaneous	1,338,189.69	708.60
<b>Total</b>	<b>1,367,368.50</b>	<b>332,042.19</b>

## 35. Income tax expenses

<b>Item</b>	<b>2007</b>	<b>2006</b>
Expenses of current income tax	679,883.01	1,650,823.84
Expenses of deferred income tax	-395,597.38	0.00
<b>Total</b>	<b>284,285.63</b>	<b>1,650,823.84</b>

## 36. Statement of cash flow

(1) Cash and cash equivalents listed in the statement of cash flow include:

<b>Item</b>	<b>2007</b>	<b>2006</b>
Cash		
Of which: Cash in stock	16,586.84	6,697.17
Bank deposits available for payments at any time	108,256,456.82	125,324,683.79
Other monetary funds available for payments at any time	16,0148.88	0.00
Balance of cash and cash equivalents at the end of the period	108,433,192.54	125,331,380.96
Of which: Cash and cash equivalents within the parent company or subsidiaries of the group whose use is subject to restrictions	0.00	0.00

(2) Other cash received/paid that is related to operating/investment/fundraising activities

1) Other cash received that is related to operating activities

<b>Item</b>	<b>2007</b>	<b>2006</b>
Deposit for laborers	164,200.00	417,800.00
Transportation risk insurance premium	450,000.00	800,000.00
Refund of reserves	671,637.49	0.00
Personal payments collected	203,211.10	0.00
Insurance company claims payout	38,452.54	0.00
Miscellaneous	286,357.03	209,172.00
<b>Total</b>	<b>1,813,858.16</b>	<b>1,426,972.00</b>

2) Other cash paid that is related to operating activities

<b>Item</b>	<b>2007</b>	<b>2006</b>
Payment of transportation risk insurance premiums	700,000.00	400,000.00
Payment of deposits for laborers	206,400.00	1,280,267.45
Entertainment expenses	1,238,360.64	1,067,579.97
Travel expenses	3,307,692.57	2,396,474.33
Information disclosure	394,228.00	404,300.00
Attorney fees	354,980.00	0.00
Audit fees	1,318,894.00	130,000.00
Trademark fees	1,885,733.26	1,097,865.26

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Leasing expenses	4,181,034.43	4,494,534.72
Port charges	1,684,968.69	976,214.09
Commodity inspection fees	184,667.00	197,114.11
Warehousing fees	3,070,842.07	2,083,070.69
Technical royalties	79,288.65	0.00
Miscellaneous	1,592,677.13	14,196,584.38
<b>Total</b>	<b>20,199,766.44</b>	<b>28,724,005.00</b>

## 3) Other cash received that is related to investment activities

Item	2007	2006
Deposit interest	1,016,853.16	0.00

## 4) Other cash paid that is related to fundraising activities

Item	2007	2006
Discounted interest	0.00	1,704,578.00

## (3) Additional information to the consolidated statement of cash flow

Item	2007	2006
<b>1. Adjustment of net profits to cash flow for operating activities:</b>		
Net profit	-27,486,120.42	14,424,511.52
Plus: Provision for asset impairment	9,299,406.47	-6,493,686.52
Depreciation of fixed assets	116,259,784.40	127,945,579.00
Amortization of intangible assets	1,144,169.56	1,329,423.00
Amortization of long-term amortizable expenses	88,329.36	251,327.00
Loss from disposition of fixed assets, intangible assets and other long-term assets (profits to be listed as "-")	29,178.81	-62,745.93
Loss from retirement of fixed assets (profits to be listed as "-")	0.00	0.00
Profits and losses from change in fair value (profits to be listed as "-")	0.00	0.00
Financial expenses (profits to be listed as "-")	17,153,594.39	19,974,588.00
Investment loss (profits to be listed as "-")	-25,391,128.86	56,592,679.80
Decrease in deferred income tax assets (increase to be listed as "-")	120,144.82	-120,144.82
Increase in deferred income tax liabilities (decrease to be listed as "-")	0.00	0.00
Decrease in inventory (increase to be listed as "-")	-87,247,846.13	-40,381,392.00
Decrease in operating receivable items (increase to be listed as "-")	174,925,441.98	-115,536,657.28
Increase in operating receivable items (decrease to be listed as "-")	-145,342,241.87	-15,390,805.72
Miscellaneous	0.00	-3,173,344.84
Net cash flow generated from operating activities	33,552,712.51	39,359,331.21
<b>2. Major investment and fundraising activities that do not involve cash receipts and expenditures</b>		
Debt transfer to capital	0.00	0.00
Convertible corporate debt maturing in one year	0.00	0.00
Fixed assets acquired under financed leases	0.00	0.00
<b>3. Information on net changes in cash and cash equivalents</b>		
Cash balance at the end of the period	108,433,192.54	125,331,380.96
Less: Cash balance at the beginning of the period	125,331,380.96	191,156,909.75
Plus: Balance of cash equivalents at the end of the period	0.00	0.00

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Less: Balance of cash equivalents at the beginning of the period	0.00	0.00
Net increase in cash and cash equivalents	-16,898,188.42	-65,825,528.79

(4) Information related to acquisition or disposition of subsidiaries and other operating units during the current period	
Item	2007
Information related to acquisition or disposition of subsidiaries and other operating units	
1. Prices of disposition of subsidiaries and other business units	201,932,348.46
2. Cash and cash equivalents received from disposition of subsidiaries and other business units	0.00
Less: Cash and cash equivalents held by subsidiaries and other business units	11,913,089.40
3. Net cash received from disposition of subsidiaries and other business units	-11,913,089.40
4. Net assets of subsidiaries disposed of	152,444,412.44
Current assets	125,815,983.15
Noncurrent assets	97,583,355.46
Current liabilities	70,954,926.17
Noncurrent liabilities	0.00

## IX. Notes on major items of the financial statements of the parent company

## 1. Accounts receivable

## (1) Classification of risks of accounts receivable

Item	December 31, 2007			December 31, 2006		
	Amount	Percentage	Bad debt reserve	Amount	Percentage	Bad debt reserve
Single accounts receivable with a large amount	346,952,808.08	99.29%	298,144.68	304,264,683.03	99.66%	242,291.23
Single accounts receivable which are not large, but which have a substantial combination risk after being combined based on the characteristics of credit risks	279,657.23	0.08%	279,657.23	280,143.43	0.09%	280,143.43
Other single accounts receivable whose amount is not large	2,216,883.94	0.63%	19,023.93	745,797.55	0.25%	0.00
<b>Total</b>	<b>349,449,349.25</b>	<b>100.00%</b>	<b>596,825.84</b>	<b>305,290,624.01</b>	<b>100.00%</b>	<b>522,434.66</b>

## (2) Age of accounts receivable

Item	December 31, 2007			December 31, 2006		
	Amount	Percentage	Bad debt reserve	Amount	Percentage	Bad debt reserve
0-90 days	284,728,291.98	81.49%	0.00	108,523,067.62	35.55%	0.00
91-180 days	54,338,797.32	15.55%	0.00	188,020,477.96	61.59%	0.00
180 days-1 year	4,936,358.38	1.41%	49,363.59	4,526,388.00	1.48%	45,263.88
1-2 years	4,976,388.19	1.42%	248,819.40	3,940,547.00	1.29%	197,027.35
2-3 years	189,856.15	0.05%	18,985.62	0.00	0.00%	0.00
3-4 years	0.00	0.00%	0.00	280,143.43	0.09%	280,143.43
4-5 years	279,657.23	0.08%	279,657.23	0.00	0.00%	0.00
<b>Total</b>	<b>349,449,349.25</b>	<b>100.00%</b>	<b>596,825.84</b>	<b>305,290,624.01</b>	<b>100.00%</b>	<b>522,434.66</b>



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(3) For methods to allow for bad debt reserve and percentage, see annotation V.7.

(4) The accounts receivable at the end of the period include 17,883,433.55 yuan from IRICO Electronics, which holds more than 5% of the voting shares of our company.

(5) The total amount of the top five remainders of other accounts receivable at the end of the period is 212,584,877.15 yuan, accounting for 60.83%, all of which have an age of 1 year or less.

(6) Among the remainders at the end of the period, the total amount from affiliates is 52,341,090.49 yuan, accounting for 14.98% of the total accounts receivable.

(7) The accounts receivable include the following foreign currency remainder:

Name of foreign currency	December 31, 2007			December 31, 2006		
	Original currency	Exchange rate	Equivalent amount in RMB	Original currency	Exchange rate	Equivalent amount in RMB
U.S. Dollar	15,057,087.16	7.30	109,916,736.27	4,676,188.62	7.81	36,521,033.12

## 2. Other accounts receivable

### (1) Classification of risks of accounts receivable

Item	December 31, 2007			December 31, 2006		
	Amount	Percentage	Bad debt reserve	Amount	Percentage	Bad debt reserve
Single accounts receivable with a large amount	45,756,660.64	98.93%	1,750,000.00	1,750,000.00	77.49%	1,750,000.00
Other single accounts receivable whose amount is not large	492,987.77	1.07%	0.00	508,214.13	22.51%	0.00
<b>Total</b>	<b>46,249,648.41</b>	<b>100.00%</b>	<b>1,750,000.00</b>	<b>2,258,214.13</b>	<b>100.00%</b>	<b>1,750,000.00</b>

### (2) Age of accounts receivable

Item	December 31, 2007			December 31, 2006		
	Amount	Percentage	Bad debt reserve	Amount	Percentage	Bad debt reserve
Within 1 year	44,499,648.41	96.22%	0.00	508,214.13	22.51%	0.00
More than 5 years	1,750,000.00	3.78%	1,750,000.00	1,750,000.00	77.49%	1,750,000.00
<b>Total</b>	<b>46,249,648.41</b>	<b>100.00%</b>	<b>1,750,000.00</b>	<b>2,258,214.13</b>	<b>100.00%</b>	<b>1,750,000.00</b>

(3) For methods to allow for bad debt reserve and percentage, see annotation V.7.

(4) The remainder of other accounts receivable at the end of the period increased substantially over the end of the period in the previous year, because of our company's new increase of share transfer payment of 35,345,473.46 yuan receivable from IRICO Group Company. In January 2008, IRICO Group Company already repaid the share transfer payment to our company.

(5) Other accounts receivable do not include monies from shareholder units that hold more than 5% (including 5%) of the voting shares of our company.

(6) The total amount of the top five remainders of other accounts receivable at the end of the period is 45,756,660.64 yuan, accounting for 98.93% of the total other accounts receivable. (Among which, the amount of other accounts receivable within one year is 44,006,660.64 yuan and the amount of other accounts receivable over one year is 1,750,000.00 yuan)

(7) Among the remainders at the end of the period, the total amount from affiliates is 35,346,366.78 yuan, accounting for 76.43% of the total other accounts receivable.

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## 3. Long-term equity investment

## (1) Long-term equity investment

Item	December 31, 2007	December 31, 2006
Long-term equity investment accounted for using cost method	39,000,000.00	110,500,000.00
Long-term equity investment accounted for equity method	0.00	106,928,164.41
<b>Total long-term equity investment</b>	39,000,000.00	217,428,164.41
Less: Provision for impairment in long-term equity investments	5,940,000.00	5,940,000.00
<b>Long-term equity investment</b>	33,060,000.00	211,488,164.41

## (2) Using the cost method and equity method

Name of investment target unit	Percentage of shares held	Initial amount	Balance at the beginning of the year	Increase this year	Decrease this year	Balance at the end of the year	Cash dividends distributed in the current year
<b>Accounted for using the cost method</b>							
Caihui Display Technology	90.00%	9,000,000.00	9,000,000.00	0.00	0.00	9,000,000.00	-
IRICO Information West Trust	55.00%	71,500,000.00	71,500,000.00	0.00	71,500,000.00	-	-
	5.01%	30,000,000.00	30,000,000.00	0.00	0.00	30,000,000.00	565,873.23
Subtotal		110,500,000.00	110,500,000.00	0.00	71,500,000.00	39,000,000.00	565,873.23
<b>Accounted for using the equity method</b>							
New Epoch	41.67%	20,000,000.00	13,418,681.19	1,784,173.80	15,202,854.99	0.00	0.00
IRICO Digital	49.00%	318,500,000.00	93,509,483.22	-5,036,503.20	88,472,980.02	0.00	0.00
Subtotal		338,500,000.00	106,928,164.41	-3,252,329.40	103,675,835.01	0.00	0.00
<b>Total</b>		449,000,000.00	217,428,164.41	-3,252,329.40	175,175,835.01	30,000,000.00	565,873.23

## (3) Provision for impairment of long-term equity interest

Name of investment target unit	December 31, 2006	Amount allowed for during current period	Amount of decrease during current period		December 31, 2007
			Reversals	Other outgoing transfers	
West Trust and Investment Co., Ltd.	5,940,000.00	0.00	0.00	0.00	5,940,000.00

## 4. Operating income, operating cost

## (1) Operating income

Item	2007	2006
Income from main business	1,631,847,319.09	1,885,733,262.20
Other business income	8,275,655.88	4,739,474.65
<b>Total</b>	1,640,122,974.97	1,890,472,736.85
Sales to top five customers	1,123,370,062.58	1,415,491,822.00
Percentage accounted for	68.49%	74.88%

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## (2) Operating cost

Item	2007	2006
Cost of main business	1,563,955,528.07	1,708,533,616.48
Cost of other business	2,745,457.11	509,244.89
<b>Total</b>	<b>1,566,700,985.18</b>	<b>1,709,042,861.37</b>

## (3) Cost of income from main business – classified by types of products/business

Item	2007	2006
Income from main business		
Of which: Color picture tubes	1,611,127,608.43	1,799,916,885.24
Deflection coils	20,719,710.66	85,816,376.96
<b>Total</b>	<b>1,631,847,319.09</b>	<b>1,885,733,262.20</b>
Cost of main business		
Of which: Color picture tubes	1,543,838,713.11	1,623,399,899.58
Deflection coils	20,116,814.96	85,133,716.90
<b>Total</b>	<b>1,563,955,528.07</b>	<b>1,708,533,616.48</b>
Gross profit of main business		
Of which: Color picture tubes	67,288,895.32	176,516,985.66
Deflection coils	602,895.70	682,660.06
<b>Total</b>	<b>67,891,791.02</b>	<b>177,199,645.72</b>

## 5. Investment profits

Sources generating investment profits	2007	2006
Profit for distribution is announced by investment target units accounted for using the cost method	565,873.23	0.00
Amount of net increase or decrease in owner equity at the investment target units adjusted at the end of the year	-3,252,329.44	-56,479,209.89
Profits from equity investment transfers	40,610,603.77	0.00
<b>Total</b>	<b>37,924,147.56</b>	<b>-56,479,209.89</b>

**X. Affiliate relationships and their transactions****(I) Affiliate relationships****1. Other affiliates that have a controlling relationship**

<b>Affiliate name</b>	<b>Institutional code</b>	<b>Registered address</b>	<b>Main business</b>	<b>Relationship to our company</b>	<b>Economic nature</b>	<b>Legal representative</b>
IRICO Group Company	100018208	Number 11, Shangdi Xinx Road, Haidian District, Beijing	The manufacturing and sales of color picture tubes, display tubes and their accessory products	Ultimate control and company	State-controlled company	Xing Daoqin
IRICO Group Electronics Co., Ltd.	766306601	Number 1, IRICO Road, Xianyang	The manufacturing and sales of color picture tubes, display tubes and their accessory products	Parent company	Stock company	Xing Daoqin
Xi'an Caihui Display Technology Co., Ltd.	775901963	12 <sup>th</sup> Road, Fengcheng, Xi'an	Production, research and development and sale of color and monochrome display tubes and accessory electronic parts	Subsidiary	Limited liability company	Junhua Zhang

2. For details on subsidiaries that have a controlling relationship, see the description in "Annotation VII, Enterprise mergers and consolidated financial statements."

**3. Registered capital of other affiliates that have a controlling relationship and their changes**

<b>Affiliate name</b>	<b>2006</b>	<b>Increase in current year</b>	<b>Decrease in current year</b>	<b>2007</b>
IRICO Group Company	1,000,000,000.00	0.00	0.00	1,000,000,000.00
IRICO Group Electronics Co., Ltd.	1,941,174,000.00	0.00	0.00	1,941,174,000.00
Xi'an Caihui Display Technology Co., Ltd.	10,000,000.00	0.00	0.00	10,000,000.00

**4. Shares held by other affiliates that have a controlling relationship and their changes**

<b>Affiliate name</b>	<b>Amount of shares held</b>		<b>Percentage of shares held</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
IRICO Group Company	174,190,000	180,680,000	41.36%	42.90%
IRICO Group Electronics Co., Ltd.	0	71,500,000	0.00%	55.00%
Xi'an Caihui Display Technology Co., Ltd.	9,000,000	9,000,000	90.00%	90.00%

**5. Nature of affiliates that do not have a controlling relationship**

<b>Affiliate name</b>	<b>Affiliate relationship</b>	<b>Contents of affiliate transactions with our company</b>
Xianyang IRICO Electronic Accessory Co., Ltd.	Controlled by the same parent company	Purchase of raw materials
Kunshan IRICO Industries Co., Ltd.	Controlled by the same parent company	Purchase of raw materials
Zhuhai Caizhu Industries Co., Ltd.	Controlled by the same parent company	Purchase of raw materials
Shaanxi IRICO Florescent Material Co., Ltd.	Controlled by the same parent company	Purchase of raw materials
Xianyang IRICO Electronic Screen Co., Ltd.	Controlled by the same parent company	Purchase of raw materials

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Xianyang Caiqin Electronic Component Co., Ltd.	Controlled by the same parent company	Purchase of raw materials
Xianyang IRICO Digital Display Co., Ltd.	Controlled by the same ultimate controlling company	Purchase of raw materials
IRICO Color Picture Tube General Plant	Controlled by the same ultimate controlling company	Provision of power and energy
IRICO Labor Services Company	Controlled by the same ultimate controlling company	Purchase of raw materials
Shaanxi IRICO Sanchan General Corporation	Controlled by the same ultimate controlling company	Provision of services
Xi'an Guangxin Electronics Co., Ltd.	Controlled by the same ultimate controlling company	Equipment purchases
Xi'an Cailian Packaging Material Co., Ltd.	Participating company of the ultimate controlling company	Purchase of raw materials
Xi'an IRICO Plastics Industry Limited Liability Company	Joint venture company	Purchase of raw materials
Xianyang IRICO Electronic Material Limited Liability Company	Subsidiary of participating company of the ultimate controlling company	Purchase of raw materials
Xianyang IRICO Adhesive Tape Limited Liability Company	Subsidiary of participating company of the ultimate controlling company	Purchase of raw materials

**(II) Affiliate transactions****1. Pricing policy**

The prices for raw material purchases made by our company from affiliates are set based on a reasonable measurement of the production cost and profitability as well as negotiations with reference to comparable market prices. Prices for products sold by our company to affiliates are set based on factors including the market supply and demand of the relevant color picture tube market and the production cost and reasonable profit of our company or its subsidiaries, etc.

**2. Purchase of supplies**

Affiliate name	2007		2006	
	Amount	Percentage	Amount	Percentage
IRICO Group Electronics Co., Ltd.	625,802,889.86	40.97%	667,963,817.00	45.51%
Xi'an IRICO Information Technology Company	144,228,411.12	9.44%	0.00	0.00%
IRICO Color Picture Tube General Plant	140,254,010.20	9.18%	159,739,859.00	0.00%
Xianyang IRICO Electronic Accessory Co., Ltd.	94,342,387.20	6.18%	103,727,203.00	7.07%
Xianyang IRICO Electronics Screen Co., Ltd.	58,876,230.59	3.85%	58,188,842.00	3.96%
IRICO Group Labor Services Company	33,937,774.97	2.22%	46,710,707.00	3.18%
IRICO Services General Corporation	33,072,001.83	2.17%	29,844,545.00	2.03%
Shaanxi IRICO Florescent Material Co., Ltd.	20,599,252.40	1.35%	22,874,277.00	1.56%
Xianyang Cailian Packaging Material Co., Ltd.	17,869,032.35	1.17%	14,888,972.00	1.01%
Zhuhai Caizhu Industries Co., Ltd.	7,591,863.00	0.50%	7,877,902.00	0.54%
Xianyang Caiqin Electronic Component Lim Liability Company	5,197,979.01	0.34%	5,497,710.00	0.37%
Kunshan IRICO Industries Co., Ltd.	2,480,460.72	0.16%	3,170,737.00	0.22%
Xianyang IRICO Adhesive Tape Limited Liability Company	2,299,571.79	0.15%	3,236,680.00	0.22%

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## 3. Sale of goods

Affiliate name	2007		2006	
	Amount	Percentage	Amount	Percentage
IRICO Group Electronics Co., Ltd.	77,137,781.25	4.58%	162,976,798.00	7.91%
IRICO Electronic Component Company	312,938.80	0.02%	0.00	0.00%
IRICO Labor Services Company	116,978.40	0.01%	0.00	0.00%

## 4. Acceptance of guarantees/providing guarantees

On June 15, 2007, IRICO Group Company, the ultimate controlling company of our company, provided a guarantee for a loan that was taken out by our company with Bank of Construction Xianyang IRICO Sub-branch from June 15, 2007 to June 14, 2008. The maximum line of credit covenanted in the master contract is 50,000,000.00 yuan.

IRICO Group Company, the ultimate controlling company of our company, provided a guarantee for the short-term loans of our company. In 2007, the amount of short-term loans guaranteed for our company is 50,000,000.00 yuan; in 2006, the amount of short-term loans guaranteed for our company was 160,000,000.00 yuan.

## 5. Leased assets

Our company and its controlled subsidiary IRICO Information executed a revocable operating lease agreement with IRICO Group Company, the ultimate controlling company, for a term of three years. In accordance with the lease agreement, our company must respectively pay RMB 11 yuan per square meter per year in land use rights fee and pay rent for using an IRICO Group building in Xianyang at a rate of RMB 9 yuan per square meter per year, for total of 5,088,747 yuan per year.

Our company's subsidiary Caihui Display Technology Company has leased buildings and land use rights from affiliate Xi'an Cairui Display Technology Co., Ltd. in the form of an operating lease. The term of the lease is from December 1, 2007 to December 31, 2009, with a monthly payable rent totaling 82,225.03 yuan.

## 6. Other transactions

In November, our company's subsidiary Caihui Display Technology Company acquired fixed assets from Xi'an Cairui Display Technology Co., Ltd. with a net value of 8,361,041.72 yuan, and paid an actual purchase price of 1,220,971.92 U.S. dollars.

## 7. Asset swap

To consolidate its business needs, our company performed an asset swap with parent company IRICO Electronics and ultimate controlling company IRICO Group. For the relevant specific information, see the description in annotation XIV.

## (III) Balance of current transactions with affiliates

Affiliate name	Item name	December 31, 2007	December 31, 2006
IRICO Group Company	Other accounts receivable	35,345,473.46	0.00
IRICO Group Company	Accounts payable	0.00	160,000.00
IRICO Group Company	Other accounts payable	0.00	1,893,389.00
IRICO Group Electronics Co., Ltd.	Accounts receivable	17,883,433.55	8,720,194.00
IRICO Group Electronics Co., Ltd.	Returns payable	43,369,344.84	106,556,996.00
IRICO Group Electronics Co., Ltd.	Other accounts payable	2,745,869.96	40,122.00
IRICO Color Picture Tube General Plant	Accounts payable	16,515,101.67	27,621,160.00



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IRICO Group Labor Services Company	Accounts receivable	0.00	5,331,882.00
IRICO Group Labor Services Company	Other accounts receivable	443.87	0.00
IRICO Group Labor Services Company	Accounts payable	9,766,929.82	501,012.00
IRICO Group Labor Services Company	Other accounts receivable	810,278.18	0.00
IRICO Group Sanchan General Corporation	Accounts payable	5,194,995.14	4,086,326.00
IRICO Florescent Material Co., Ltd.	Accounts receivable	0.00	2,428,134.00
Kunshan IRICO Industries Co., Ltd.	Accounts payable	1,287,882.19	823,861.00
Shaanxi IRICO Florescent Material Co., Ltd.	Other accounts receivable	379.25	0.00
Shaanxi IRICO Florescent Material Co., Ltd.	Accounts payable	1,668,956.33	0.00
Shenzhen Hongyang Industry and Trade Co., Ltd.	Accounts payable	21,919.48	0.00
Xi'an IRICO Plastics Industry Limited Liability Company	Accounts payable	0.00	2,100,000.00
Xianyang IRICO Electronic Material Limited Liability Company	Accounts payable	405,661.15	146,697.00
Xianyang IRICO Component Co., Ltd.	Other accounts receivable	70.20	0.00
Xianyang IRICO Component Co., Ltd.	Accounts payable	17,821,367.52	9,578,918.00
Xianyang IRICO Screen Co., Ltd.	Accounts payable	7,053,293.07	9,228,591.00
Xianyang IRICO Adhesive Tape Limited Liability Company	Accounts payable	883,064.12	331,858.00
Xianyang Cailian Packaging Material Co., Ltd.	Accounts payable	1,230,565.06	1,883,738.00
Xianyang Caiqin Electronic Component Limited Liability Company	Accounts payable	574,448.56	0.00
Zhuhai Caizhu Industries Co., Ltd.	Accounts payable	5,504,685.96	5,587,080.00

**XI. Contingent matters****1. Pending lawsuit**

In January 2008, our company received a class-action complaint from Crago on behalf of its own company and a class of plaintiffs ("class") against major CRT manufacturers around the world, which was forwarded by a court in California, United States. The complaint includes defendants such as our company and IRICO Group Company, the ultimate controlling company of our company. Since the mid-1990s, the CRT industry has faced great economic pressure. Due to the fact that user preference has shifted to an emerging technology, the profits of the industry have shrunk, and this has constituted a threat to the sustained development of the industry. To stabilize prices, improve profitability and prolong the market life of CRT, the defendants collaborated and conspired to fix, raise, keep and stabilize the price agreement to sell CRT products in the United States market. Starting on January 1, 1995, the defendants and their co-conspirators reached an agreement to continue to execute, unite and collude in unreasonable restraint of trade, thus violating the provisions of Article 1 of The Sherman Act (15 U.S.C. 1) and artificially reducing or eliminating competition in the United States. Claims submitted by the plaintiff: Starting on January 1, 1995, a ruling that the plaintiff and members of the class action recover losses suffered thereby in accordance with the federal anti-monopoly law, render a joint judgment or several judgments that are favorable to the plaintiff and members of the class action and unfavorable to the defendants and the triple damages to be recovered in accordance with this law; an award of the cost of this litigation for the plaintiff and members of the class action, including reasonable attorney fees and reasonable and appropriate other and further compensation for the plaintiff and members of the class action. On November 26, 2007, a United States Court in California had already accepted the case, which it has not yet begun to hear.

**2. Other contingent matters**

In 2007, domestic invoice financing business contracts executed by our company are as follows:

Contract number	Name of the other unit	Total invoice amount	Amount financed	Date of issue of financing	Maturity date of financing	Annual interest rate
0030	Sichuan Changhong Electric	55,068,290.55	44,000,000	September 3, 2007	January 2, 2008	6.21%
0064	TCL King Electrical Appliance (Huizhou) Co., Ltd.	29,466,720	20,000,000	December 25, 2007	April 24, 2008	6.8985%
0065	TCL Display Component Co., Ltd.	16,173,440	12,000,000	December 25, 2007	April 26, 2008	6.8985%
0066	TCL King Electrical Appliance (Huizhou) Co., Ltd.	16,089,040	12,000,000	December 25, 2007	April 24, 2008	6.8985%

On December 31, 2007, implementation of contract number 0030 was complete. Our company repaid the financed funds to the bank, and the remaining invoice financing contracts are still being implemented.

Original copies of the purchase and sales contracts and invoices (with an actual face amount of 61,729,200 yuan) and the buyers' acceptance inspection vouchers of transportation bills, etc., have been turned over to Bank of Industry Xianyang Branch for safekeeping. The domestic invoice financing business contracts covenanted that the accounts receivable between our company and the buyers should be settled in a cash method (if it is settled with a non-cash method, our company should ensure that the funds will be transferred to the designated account of the bank after receipt). In the event that, on the maturity date of the invoice financing (including the accelerated maturity date declared by the bank), the amount in the account for receipt covenanted is not sufficient to pay the appropriate principal and interest for the financing, the bank may deduct the appropriate funds from any account of our company to pay off the entire principal and interest and other expenses of the financed loans. Since there is uncertainty with regard to the date of recovery of accounts receivable in cash, in the event that the domestic invoice financing business cannot be fully recovered within the prescribed deadline, in accordance with the covenants of the contracts, it may cause a major expenditure in terms of the cash flow of our company.

IRICO Group Company, the ultimate controlling company of our company, executed the highest guaranteed contract with the Bank of Industry and provided a renewed guarantee for this loan contract of our company. Even if our company cannot repay the bank loans as they become due, IRICO Group Company will be responsible for repayment.

3. Other than the aforementioned contingent matters, as of December 31, 2007, our company has no other major contingent matters.

## **XII. Commitment matters**

1. Lease agreements that have been executed or are being prepared for execution and financial impact

In December 2007, our company executed an operating lease agreement with IRICO Group Company regarding buildings and land use rights, with a term running from December 2007 to December 2009. The amount of annual rent paid is set forth in the following table; the parties have agreed that, at the end of this agreement, in the event of renewal, the annual rent will be set at 95% of the fair rental price in the market for similar buildings.

As of December 31, 2007 (T), our company needs to undertake to make the following payments during the following terms with regard to revocable operating leases for house and building items (which leases may be terminated upon a 3-month notice):

<b>Term</b>	<b>Operating leases</b>
T + 1 year	9,534,805.80
T + 2 years	9,534,805.80
<b>Total</b>	<b>19,069,611.60</b>

2. Other than the aforementioned commitment matters, as of December 31, 2007, our company has no other major commitment matters.

## **XIII. Matters subsequent to the date of the balance sheet**

1. As described in annotation XIV.3, in January 2008, our company received a payment from IRICO Group Company of the balance of 35,345,473.46 yuan for the transfer of subsidiaries.

2. As described in annotation XI.1, in January 2008, our company received a class action complaint from Crago on behalf of its own company and a class of plaintiffs ("class") against major CRT manufacturers around the world, which was forwarded by a court in California, United States.

**XIV. Other important matters**

Our company used June 30, 2007 as the benchmark date to perform matters related to an asset swap and share transfer. Parties involved in the asset swap: Our company, our company's parent company IRICO Electronics, and our company's ultimate controlling company IRICO Group Company. The specific transaction items are as follows:

1. Our company swapped equipment for making glass shells (2<sup>nd</sup> glass plant) and 55% of the shares held in our subsidiary Xi'an IRICO Information Co., Ltd. (hereinafter referred to as IRICO Information) for the relevant assets of Number 1 Color Picture Tube, the CRT Technology Center and Marketing Department subsidiary to IRICO.

On November 30, 2007, our company already transferred 55% of the shares held in IRICO Information to IRICO Electronics (the profits and losses between June 30, 2007 and November 30, 2007 will be borne by the new shareholder). The shares were evaluated at 94,937,678.46 yuan. The actual transaction price was 94,937,678.46 yuan. The book value of our company was 84,033,018.70 yuan (including investment profits of 12,533,018.33 yuan from January-June 2007 that should be recognized according to the equity method). The difference of 10,904,659.76 yuan from this position should be included in the current profits and losses;

In accordance with the requirements in Enterprise Accounting Principle Number 20 – Enterprise Mergers for mergers of enterprise under common control, respectively, as the recipient in an asset swap, our company and IRICO Electronics used the assessed value of the swapped assets received on June 30, 2007 as the transaction value and used the book value of the other party as the recorded value. The difference between the transaction value and net book value is recorded as the capital reserve item. The date of the actual completion of the asset swap was November 30, 2007 (for the depreciation or amortization of the swapped assets normally allowed for between June 30 and November 30, the receiving party in the swap should use of the value after the appraisal and the number of years for residual use or term of amortization to make adjustments to the original depreciated or amortized amount), as of November 30, 2007, after an additional appraisal, the value of the assets of the 2<sup>nd</sup> glass plant was appraised at 106,994,700.00 yuan (a decrease of 9,031,800.00 yuan compared to the appraised value on June 30, 2007). The actual transaction value was 106,994,700.00 yuan, with a book value of 31,905,775.34 yuan. The difference of 75,088,894.66 yuan was included in the capital reserve of our company. The appraised value the relevant assets of 1<sup>st</sup> Color Picture Tube Plant, the CRT Technology Center and the Marketing Department was 327,782,250.00 yuan, with a transaction price of 327,782,250.00 yuan. The recorded value was 323,504,547.16 yuan. The difference of -4,277,702.84 yuan was included in the capital reserve of our company. The total increase in the capital reserve of our company was 70,811,191.82 yuan.

2. On November 30, 2007, our company transferred 41.67% of its shares in stock-participating Xi'an New Epoch Club Co., Ltd. and 49% of its shares in IRICO Digital Display Co., Ltd. to our ultimate controlling company IRICO Group Company (the profits and losses between June 30, 2007 and November 30, 2007 will be borne by the new shareholder). The total book value of the shares was 103,675,834.97 yuan. The appraised value was 120,848,760.28 yuan and the transaction price was 120,848,760.28 yuan. The difference of 17,172,925.31 yuan between the transaction price and the book value was included in the current profits and losses of our company.

3. 85,503,286.82 yuan of the 120,848,760.28 yuan share transfer payment receivable from IRICO Group Company to our company was already received on December 31, 2007. The balance of 35,345,473.46 yuan was received in January 2008. Our company should make a net payment of 125,849,871.54 yuan for the asset swap of IRICO Electronics and share transfer. As of December 31, 2007, payment of 2,635,594.25 yuan was still outstanding.

4. The industry and commerce registration change of the 49% of the shares originally held by our company in IRICO Digital was completed on January 14, 2008. The industry and commerce registration change of original 41.67% of shares held in New Epoch was completed on March 3, 2008. The industry and commerce registration change of the original 55% of shares held in IRICO Information was completed on January 11, 2008.

## IRICO Display Component Co., Ltd. 2007 Annual Report

**XV. Additional materials**

## 1. Statement of non-operating profits and losses

Item	2007	2006
Reversal of provisions for various impairments allowed for in previous years	724,001.41	12,081,259.00
Profits and losses from disposition of non-current assets	28,048,406.26	0.00
Government subsidies included in current profits and losses	3,000,000.00	584,991.18
Net profits and losses of subsidiaries generated through merger of enterprises under common control from the beginning of the period to the date of merger	0.00	0.00
Net other non-operating revenue and expenditures other than the aforementioned items	-1,224,005.49	70,541.00
Subtotal	30,548,402.18	12,736,791.18
Impact of income tax	0.00	0.00
<b>Total non-current net profits and losses</b>	<b>30,548,402.18</b>	<b>12,736,791.18</b>
Of which: Those attributable to shareholders of the parent company	30,643,704.71	10,262,712.76

## 2. Net return on assets and earnings per share

In accordance with the requirements of China Securities Regulatory Commission Information Disclosure and Preparation Rule 9 for Companies That Publicly Issued Securities – Calculations and Disclosure of Net Return on Assets and Earnings per Share, the net return on assets and earnings per share of our company that have been fully diluted and calculated with weighted average are as follows:

## (1) 2007

Profit during the report period	Net return on assets		Earnings per share	
	Fully diluted	With weighted average	Basic earnings per share	Diluted earnings per share
Net profits attributable to shareholders of the parent company	-1.99%	-2.06%	-0.07	-0.07
Net profits attributable to shareholders of the company, from which non-current profits and losses have been deducted	-4.14%	-4.29%	-0.14	-0.14

## (2) 2006

Profits during the report period	Net return on assets		Earnings per share	
	Fully diluted	With weighted average	Basic earnings per share	Diluted earnings per share
Net profits attributable to shareholders of the parent company	1.12%	1.12%	0.04	0.04
Net profits attributable to shareholders of the company, from which noncurrent profits and losses have been deducted	0.37%	0.38%	0.01	0.01

## 3. Itemization of provisions for asset impairments

Item	December 31, 2006	Amount allowed for during current period	Amount of decrease during current period		December 31, 2007
			Reversals	Other outgoing transfers	
Impairment provision for bad debt	2,272,434.66	74,391.18	0.00	0.00	2,346,825.84
Impairment provision for inventory	5,582,331.07	7,319,016.70	724,001.41	134,325.39	12,043,020.97
Impairment provision for long-term equity investment	6,613,956.00	0.00	0.00	673,956.00	5,940,000.00
Impairment provision for fixed assets	103,958,750.25	6,445,857.00	0.00	2,642,389.97	107,762,217.28
<b>Total</b>	<b>118,427,471.98</b>	<b>13,839,264.88</b>	<b>724,001.41</b>	<b>3,450,671.36</b>	<b>128,092,064.09</b>

## IRICO Display Component Co., Ltd. 2007 Annual Report

## 4. Consolidated statement of profit for reference

(1) Assuming that, for 2006, our company fully implemented the Enterprise Accounting Principles and based thereon, prepared a consolidated statement of profit for reference:

Item	2006
Operating income	2,067,039,893.50
Less: Operating expenses	1,857,252,137.83
Business tax and surcharges	4,043,460.16
Sales expenses	77,592,062.51
Management expenses	43,884,420.65
Financial expenses	18,749,015.89
Losses from asset impairment	-6,493,686.52
Plus: Profits from change in fair value	0.00
Investment profits	-56,592,679.80
Operating profits	15,419,803.18
Plus: Non-operating income	987,574.37
Less: Non-operating expenditures	332,042.19
<b>Total profits</b>	<b>16,075,335.36</b>
Less: Income tax expenses	1,650,823.84
Minority shareholder equity	-1,029,167.72
<b>Net profits attributable to the parent company</b>	<b>15,453,679.24</b>

(2) Difference in net profits between the consolidated statement of profit reference and the original consolidated statement of profit:

Item	2006
<b>Amount of net profits on the original consolidated statement of profit</b>	<b>19,762,298.79</b>
Adjustments to differences:	
Operating expenses	3,336,384.03
Sales expenses	89,389.79
Management expenses	-16,053,965.74
Loss from asset impairment	6,493,686.52
Investment profits	673,956.00
Income tax expenses	224,086.43
Profits and losses of minority shareholders	-101,324.30
Subtotal of adjustments to differences	-5,337,787.27
<b>Amount of net profits for the consolidated statement of profit for reference</b>	<b>14,424,511.52</b>

## IRICO Display Component Co., Ltd. 2007 Annual Report

5. Statement of adjusted differences in shareholder equity under the old and new accounting principles compared to statement of disclosure

Number	Item name	Amount disclosed in the 2007 annual report	Amount originally disclosed in the 2006 annual report	Total difference
	<b>Shareholder equity as of December 31, 2006</b>	<b>1,389,659,617.76</b>	<b>1,389,659,617.76</b>	<b>0.00</b>
(1)	Termination compensation that meets the conditions for recognition of liabilities	-5,460,549.40	0.00	-5,460,549.40
(2)	Income tax	463,038.86	0.00	463,038.86
(3)	Minority shareholder equity listed as shareholder equity	68,602,492.40	68,602,492.40	0.00
	<b>Shareholder equity as of January 1, 2007</b>	<b>1,453,264,599.62</b>	<b>1,458,262,110.16</b>	<b>-4,997,510.14</b>

(1) On April 30, 2007, the Accounting Principle Commission of the Ministry of Finance promulgated the Opinion of the Expert Work Group regarding Issues of Implementation of Enterprise Accounting Principles. The opinion clarified that if an enterprise implements an internal employee retirement plan that meets the conditions for recognition of expected liabilities for the termination benefit plan, the benefits should be treated as termination benefits. According to such provisions, our company has recognized as employee compensation payable 5,460,549.40 yuan in salaries and social insurance premiums, etc., proposed for payment to employees who have voluntarily retired internally from the date of the cessation of provision of services to the date of normal retirement, which payment has met the conditions for recognition of expected liabilities.

(2) Due to the impact of the item in (1), in accordance with the 15% enterprise income tax rate applicable in 2006, a retroactive adjustment has been made to the income tax. The adjusted income tax expense subject to cumulative impact is 463,038.86 yuan.

#### XVI. Approval of financial report

This financial report was approved and filed by the board of directors of our company on April 23, 2008.



**XII. Directory of reference documents**

1. Financial statements that contain the signatures and seals of the legal representative, the person in charge of accounting work and the person in charge of the accounting institution.
2. Original copy of the audit report that contains the seal of the accounting firm and the signatures and seals of the certified accountants.
3. Original copies of all company documents and original drafts of public announcements disclosed in the newspapers designated by China Securities Regulatory Commission during the report period.

Chairman of the Board of Directors (signature): Xing Daoqin

IRICO Display Component Co., Ltd. Board of Directors  
April 23, 2008

**彩虹显示器件股份有限公司**  
**600707**

**2007 年年度报告**

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## 一、重要提示

- 1、本公司董事会、监事会及董事、监事、高级管理人员保证本报告所载资料不存在任何虚假记载、误导性陈述或者重大遗漏，并对其内容的真实性、准确性和完整性承担个别及连带责任。
- 2、公司全体董事出席董事会会议。
- 3、信永中和会计师事务所有限责任公司为本公司出具了标准无保留意见的审计报告。
- 4、公司负责人邢道钦先生，主管会计工作负责人姜阿合先生及会计机构负责人（会计主管人员）邱东风女士声明：保证年度报告中财务报告的真实、完整。

## 二、公司基本情况简介

- 1、 公司法定中文名称：彩虹显示器件股份有限公司  
公司法定中文名称缩写：彩虹股份
- 2、 公司法定代表人：邢道钦
- 3、 公司董事会秘书：刘晓东  
电话：029-33332866  
传真：029-33333852  
E-mail: gfoffice@ch.com.cn  
联系地址：陕西省咸阳市彩虹路一号  
公司证券事务代表：郑涛  
电话：029-33333853  
传真：029-33333852  
E-mail: gfoffice@ch.com.cn  
联系地址：陕西省咸阳市彩虹路一号
- 4、 公司注册地址：西安高新技术开发区西区  
公司办公地址：陕西省咸阳市彩虹路一号  
邮政编码：712021  
公司国际互联网网址：www.ircoltd.com.cn  
公司电子信箱：gfoffice@ch.com.cn
- 5、 公司信息披露报纸名称：《中国证券报》、《证券时报》  
登载公司年度报告的中国证监会指定国际互联网网址：www.sse.com.cn  
公司年度报告备置地点：公司董事会办公室
- 6、 公司 A 股上市交易所：上海证券交易所  
公司 A 股简称：彩虹股份  
公司 A 股代码：600707
- 7、 其他有关资料  
公司首次注册登记日期和地点：1992 年 7 月 29 日 咸阳  
公司变更注册登记日期和地点：2001 年 9 月 28 日 西安  
公司法人营业执照注册号：610000100063235  
公司税务登记号码：陕国税字 610198220533028  
公司组织结构代码：22053302-8  
公司聘请的境内会计师事务所名称：信永中和会计师事务所有限责任公司  
公司聘请的境内会计师事务所办公地址：北京市东城区朝阳门北大街 8 号富华大厦 A 座 9 层

彩虹显示器件股份有限公司 2007 年年度报告

**三、主要财务数据和指标：****(一) 本报告期主要财务数据**

单位：元 币种：人民币

项目	金额
营业利润	-28,948,650.49
利润总额	-27,201,834.79
归属于上市公司股东的净利润	-28,433,627.98
归属于上市公司股东的扣除非经常性损益后的净利润	-59,077,332.69
经营活动产生的现金流量净额	33,552,712.51

**(二) 扣除非经常性损益项目和金额**

单位：元 币种：人民币

非经常性损益项目	金额
以前年度计提各项减值准备转回	724,001.41
非流动资产处置损益	28,048,406.26
计入当期损益的政府补助	3,000,000.00
除上述各项之外的其他营业外收支净额	-1,224,005.49
非经常性损益合计	30,548,402.18
其中：归属于上市公司股东	30,643,704.71

**(三) 报告期末公司前三年主要会计数据和财务指标**

单位：元 币种：人民币

主要会计数据	2007 年	2006 年		本年比上年 增减(%)	2005 年
		调整后	调整前		
营业收入	1,705,696,095.72	2,067,039,893.50	2,067,039,894	-17.48	2,130,567,191.87
利润总额	-27,201,834.79	16,075,335.36	21,535,884	-269.21	-563,871,895.88
归属于上市公司股东的净利润	-28,433,627.98	15,453,679.24	19,762,298	-283.99	-551,567,005.63
归属于上市公司股东的扣除非经常性损益的净利润	-59,077,332.69	5,190,966.48	7,025,507	-1238.08	-553,672,844.07
基本每股收益	-0.07	0.04	0.05	-275.00	-1.31
稀释每股收益	-0.07	0.04	0.05	-275.00	-1.31
扣除非经常性损益后的基本每股收益	-0.14	0.01	0.02	-1500.00	-1.31
全面摊薄净资产收益率(%)	-1.99	1.12	1.42	减少 3.11 个百分点	-40.17
加权平均净资产收益率(%)	-2.06	1.12	1.43	减少 3.18 个百分点	-32.02
扣除非经常性损益后全面摊薄净资产收益率(%)	-4.14	0.37	0.51	减少 4.51 个百分点	-40.32
扣除非经常性损益后的加权平均净资产收益率(%)	-4.29	0.38	0.51	减少 4.67 个百分点	-32.14
经营活动产生的现金流量净额	33,552,712.51	39,359,331.21	39,359,331	-14.75	170,309,527.68
每股经营活动产生的现金流量净额	0.08	0.09	0.09	-11.11	0.40
	2007 年末	2006 年末		本年末比上年 末增减(%)	2005 年末
		调整后	调整前		
总资产	2,042,414,249.22	2,146,988,770.66	2,144,410,636	-4.87	2,227,812,845.77
所有者权益(或股东权益)	1,427,758,567.56	1,385,482,423.15	1,389,659,618	3.05	1,373,070,664.53
归属于上市公司股东的每股净资产	3.39	3.29	3.30	3.04	3.26

彩虹显示器件股份有限公司 2007 年年度报告

**四、股本变动及股东情况****(一) 股本变动情况****1、股份变动情况表**

单位:股

	本次变动前		本次变动增减(+,-)					本次变动后	
	数量	比例(%)	发行新股	送股	公积金转股	其他	小计	数量	比例(%)
<b>一、有限售条件股份</b>									
1、国家持股									
2、国有法人持股	180,675,565	42.90				-19,266,021	-19,266,021	161,409,544	38.32
3、其他内资持股	36,497,618	8.67				-18,698,594	-18,698,594	17,799,024	4.23
其中:									
境内法人持股	36,497,618	8.67				-18,698,594	-18,698,594	17,799,024	4.23
境内自然人持股									
4、外资持股	0	0				+469,557	+469,557	469,557	0.11
其中:									
境外法人持股	0	0				+469,557	+469,557	469,557	0.11
境外自然人持股									
有限售条件股份合计	217,173,183	51.57				-37,495,058	-37,495,058	179,678,125	42.66
<b>二、无限售条件流通股份</b>									
1、人民币普通股	203,975,617	48.43				37,495,058	37,495,058	241,470,675	57.34
2、境内上市的外资股									
3、境外上市的外资股									
4、其他									
无限售条件流通股份合计	203,975,617	48.43				37,495,058	37,495,058	241,470,675	57.34
<b>三、股份总数</b>	<b>421,148,800</b>	<b>100.00</b>						<b>421,148,800</b>	<b>100.00</b>

**股份变动的批准情况**

1)、国有法人股股东彩虹集团电子股份有限公司(以下简称"彩虹电子"(0438 HK))本年度末持有有限售条件的流通股为 161,409,544 股,减少了 19,266,021 股,主要是由于其持有的限售股份 21,057,440 股限售期满,于 2007 年 7 月 31 日上市流通;另外,截止报告期末,西安飞机工业(集团)有限责任公司、上海天迪科技投资发展有限公司、西北大学印刷厂等 9 家有限售条件的流通股股东分别与彩虹电子签订了《关于偿付股权分置改革对价的协议》,向彩虹电子偿还了代垫股份合计 1,791,419 股,上述股份偿还已办理完成了股权过户手续。

2)、其他法人持有的有限售条件的流通股减少主要是由于其中部分法人持有的有限售条件的流通股限售期满,于 2007 年 7 月 31 日上市流通以及西安飞机工业(集团)有限责任公司等 9 家有限售条件的流通股股东向彩虹电子偿还了代垫股份所致。

3)、无限售条件流通股份增加主要是根据股权分置改革方案承诺的内容,原有限售条件的流通股限售期满上市流通所致。公司《有限售条件的流通股上市公告》详见 2007 年 7 月 24 日的《中国证券报》和《证券时报》。



彩虹显示器件股份有限公司 2007 年年度报告

## 股份变动的过户情况

1)、原有限售条件的流通股股东中国电子进出口公司陕西公司通过司法拍卖的形式将其持有的 720,000 股分别转让给了 MELLON HBV MASTER GLOBAL EVENT DRIVEN FUND L.P. 600,000 股、北京祥恒科技有限公司 120,000 股,并分别于 2007 年 8 月 3 日和 2007 年 7 月 27 日办理完成了股权过户手续。

2)、2007 年 12 月 4 日原有限售条件的流通股股东咸阳偏转线圈股份有限公司将其持有的 720,000 股股权更正登记到咸阳偏转集团公司名下。

## 2、限售股份变动情况表

单位:股

股东名称	年初限售股数	本年解除限售股数	本年增加限售股数	年末限售股数	限售原因	解除限售日期
彩虹集团电子股份有限公司	180,675,565	21,057,440	1,791,419	161,409,544	股改承诺	根据股改承诺 剩余限售股份 将分别于 2008 年 7 月 31 日和 2009 年 7 月 31 日解除限售
西安雅轩商贸有限责任公司	4,695,569	4,695,569		0		
蛇口社会保险公司	2,817,341	2,817,341		0		
乌鲁木齐市商业银行股份有限公司	1,878,227	1,878,227		0		
中化国际石油公司	1,878,227	1,878,227		0		
中金辐照有限公司	939,114	939,114		0		
陕西彩虹三产总公司	860,854	860,854		0		
上海谦益投资咨询有限公司	704,335	704,335		0		
丽水市华东电力防护器材有限公司	657,380	657,380		0		
珠海经济特区彩珠工贸公司	488,339	488,339		0		
深圳市通乾投资股份有限公司	469,557	469,557		0		
陕西华信科工贸有限公司	313,037	313,037		0		
上海言福贸易有限公司	187,823	187,823		0		
西安市金属材料公司南郊供应站	187,823	187,823		0		
新居室杂志社	93,911	93,911		0		
西安京都汽车运输处	93,911	93,911		0		
北京冠华教育咨询有限公司	93,911	93,911		0		
中国华融资产管理公司乌鲁木齐办事处	78,259	78,259		0		
西安飞机工业集团有限责任公司	2,400,000	0		1,878,227		2008 年 3 月 3 日
上海天迪科技投资发展有限公司	1,800,000	0		1,408,671		2008 年 3 月 3 日
西北大学印刷厂	1,200,000	0		939,114		2008 年 3 月 3 日
咸阳偏转集团公司	720,000	0		563,468		2008 年 3 月 3 日
MELLON HBV MASTER GLOBAL EVENT DRIVEN FUND L.P	600,000	0		469,557		2008 年 3 月 3 日
咸阳市渭城区底张机械厂	600,000	0		469,557		2008 年 3 月 3 日
广州华南信息产业有限公司	600,000	0		469,557		2008 年 3 月 3 日
浙江众鑫投资咨询有限公司	200,000	0		156,519		2008 年 3 月 3 日
北京祥恒科技有限公司	120,000	0		93,911		2008 年 3 月 3 日
其他	11,820,000	0		11,820,000	尚未偿还股改垫付的股份	
合计	217,173,183	37,495,058	1,791,419	179,678,125	—	—

彩虹显示器件股份有限公司 2007 年年度报告

## 3、证券发行与上市情况

## (1) 前三年历次证券发行情况

截止本报告期末至前三年，公司未有证券发行与上市情况。

## (2) 公司股份总数及结构的变动情况

报告期内没有因送股、配股等原因引起公司股份总数及结构的变动。

## (3) 现存的内部职工股情况

本报告期末公司无内部职工股。

## (二) 股东情况

## 1、股东数量和持股情况

单位:股

报告期末股东总数	58,227					
前十名股东持股情况						
股东名称	股东性质	持股比例(%)	持股总数	报告期内增减	持有有限售条件股份数量	质押或冻结的股份数量
彩虹集团电子股份有限公司	国有法人	41.36	174,189,544	-6,486,021	161,409,544	无
浙江兰申信息科技投资有限公司	其他	1.71	7,200,000	0	7,200,000	质押 7,200,000
西安雅轩商贸有限责任公司	其他	0.97	4,100,000	-595,569	0	无
乌鲁木齐市商业银行股份有限公司	其他	0.45	1,878,227	0	0	无
西安飞机工业(集团)有限责任公司	其他	0.45	1,878,227	-521,773	1,878,227	无
中化国际石油公司	其他	0.45	1,878,227	0	0	无
陶心娴	其他	0.41	1,741,978	1,741,978	0	未知
陕西泰德实业有限公司	其他	0.36	1,500,000	0	1,500,000	冻结 1,500,000
上海天迪科技投资发展有限公司	其他	0.33	1,408,671	-391,329	1,408,671	无
王俊英	其他	0.33	1,407,329	1,407,329	0	未知
前十名无限售条件股东持股情况						
股东名称	持有无限售条件股份数量			股份种类		
彩虹集团电子股份有限公司	12,780,000			人民币普通股		
西安雅轩商贸有限责任公司	4,100,000			人民币普通股		
乌鲁木齐市商业银行股份有限公司	1,878,227			人民币普通股		
中化国际石油公司	1,878,227			人民币普通股		
陶心娴	1,741,978			人民币普通股		
王俊英	1,407,329			人民币普通股		
潘元庆	1,394,700			人民币普通股		
程晓薇	1,391,000			人民币普通股		
北京和谐生活投资有限公司	1,368,355			人民币普通股		
邱剑芳	1,100,000			人民币普通股		
上述股东关联关系或一致行动关系的说明	彩虹集团电子股份有限公司与其他股东之间不存在关联关系或一致行动情况。本公司未知其他股东之间是否存在关联关系或一致行动人情况。					

## 前十名有限售条件股东持股数量及限售条件

单位:股

序号	有限售条件股东名称	持有的有限售条件股份数量	有限售条件股份可上市交易情况		限售条件
			可上市交易时间	新增可上市交易股份数量	
1	彩虹集团电子股份有限公司	161,409,544	2008年7月31日	21,057,440	股改方案实施完成后第二年(2008年7月31日)可上市流通21,057,440股,第三年(2009年7月31日)剩余有限售条件的流通股全部上市流通。
2	浙江兰申信息科技投资有限公司	7,200,000			偿还垫付股份后
3	西安飞机工业(集团)有限责任公司	1,878,227	2008年3月3日	1,878,227	
4	陕西泰德实业有限公司	1,500,000			偿还垫付股份后
5	上海天迪科技投资发展有限公司	1,408,671	2008年3月3日	1,408,671	
6	深圳海达科技公司	1,080,000			偿还垫付股份后
7	西北大学印刷厂	939,114	2008年3月3日	939,114	
8	陕西省高教仪器设备公司	600,000			偿还垫付股份后
9	咸阳偏转集团公司	563,468	2008年3月3日	563,468	
10	咸阳市渭城区底张机械厂	469,557	2008年3月3日	469,557	

注:上述股东中浙江兰申信息科技投资有限公司、陕西泰德实业有限公司、深圳海达科技公司和陕西省高教仪器设备公司尚未支付股改对价,由本公司控股股东彩虹集团电子股份有限公司垫付,若日后上述股东所持的原非流通股股份上市流通,须向彩虹电子支付所垫付的对价,垫付期间有分红派息的还应归还垫付股份相应的红利及按同期银行存款利率计算的利息,并取得彩虹电子的同意,同时由本公司向上交所提出该等股份的上市流通申请。

## 2、控股股东及实际控制人简介

## (1) 法人控股股东情况

控股股东名称:彩虹集团电子股份有限公司

法人代表:邢道钦

注册资本:194,117.40 万元

成立日期:2004 年 9 月 10 日

主要经营业务或管理活动:彩色显示器件及其配套产品和材料、电子器件、电真空器件、电子产品的研究、开发、制造、销售。

## (2) 法人实际控制人情况

实际控制人名称:彩虹集团公司

法人代表:邢道钦

注册资本:100,000 万元

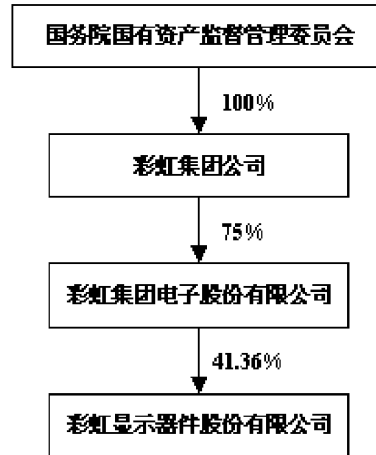
成立日期:1995 年 9 月 10 日

主要经营业务或管理活动:彩色显像管、显示管、彩色电视机、显示器及其配套产品、电子器件、电真空器件、电子产品的研究、开发、制造。

## (3) 控股股东及实际控制人变更情况

本报告期内公司控股股东及实际控制人没有发生变更。

(4) 公司与实际控制人之间的产权及控制关系的方框图



3、其他持股在百分之十以上的法人股东

截止本报告期末公司无其他持股在百分之十以上的法人股东。

## 五、董事、监事和高级管理人员

## (一) 董事、监事、高级管理人员情况

单位:股

姓名	职务	性别	年龄	任期起始日期	任期终止日期	年初持股数	年末持股数	报告期内从公司领取的报酬总额(万元)(税前)	是否在股东单位或其他关联单位领取报酬津贴
邢道钦	董事长	男	53	2007年11月29日	2008年9月20日	0	0	—	是
郭盟权	副董事长	男	51	2007年11月29日	2008年9月20日	0	0	—	是
张少文	董事	男	46	2007年11月29日	2008年9月20日	0	0	—	是
王西民	董事、总经理	男	53	2007年11月29日	2008年9月20日	0	0	—	是
赵守国	独立董事	男	45	2005年9月20日	2008年9月20日	0	0	30,000	否
张天西	独立董事	男	52	2005年9月20日	2008年9月20日	0	0	30,000	否
刘汝林	独立董事	男	62	2005年9月20日	2008年9月20日	0	0	30,000	否
葛迪	监事会主席	男	48	2005年9月20日	2008年9月20日	0	0	—	是
王琪	监事	女	49	2007年6月27日	2008年9月20日	0	0	—	是
李加顺	职工监事	男	46	2005年9月20日	2008年9月20日	0	0	86,786	否
李淼	副总经理	男	43	2007年11月29日	2008年9月20日	0	0	—	是
姜阿合	财务总监	男	52	2007年11月29日	2008年9月20日	0	0	—	是
刘晓东	董事会秘书	男	36	2005年9月20日	2008年9月20日	0	0	101,174	否
合计	/	/	/	/	/			277,960	/

注：报告期内，公司更换了4名董事、1名监事和4名高级管理人员；报告期内公司实际支付董事、监事及高级管理人员（包含现任及报告期内离任人员）的税前报酬总额为76.61万元。

## 董事、监事、高级管理人员最近5年的主要工作经历：

(1) 邢道钦，1996年9月至2004年9月任彩虹集团公司副总经理；2004年9月至2005年6月任彩虹集团公司副总经理、彩虹集团电子股份有限公司总裁；2005年7月起至今任彩虹集团公司总经理、彩虹集团电子股份有限公司董事长。

(2) 郭盟权，2001年3月至今担任彩虹集团公司副总经理；曾于2005年至2007年兼任彩虹集团电子股份有限公司总裁；2006年10月起至今担任陕西彩虹电子玻璃有限公司董事长。

(3) 张少文，2001年至今任彩虹集团公司副总经理。

(4) 王西民，2001年4月至2004年12月，任彩虹集团公司生产部部长；2004年12月至2005年7月，任彩虹集团电子股份有限公司总裁助理、运营管理部总经理；2005年8月起，任彩虹集团电子股份有限公司副总裁；2005年9月至2007年11月任本公司董事长；2007年11月起任本公司董事、总经理。

(5) 赵守国，2001年至今任西北大学经济管理学院副院长、教授、博士生导师。

(6) 张天西，2000年4月至2003年1月，任西安交通大学会计学院会计学教授、院长；2004年10月至今任上海交通大学安泰管理学院会计系主任。

(7) 刘汝林, 1993 年 9 月至 2005 年 6 月, 任电子部信息产业部综合规划司处长、副司长; 2005 年 6 月至今任中国电子学会秘书长。

(8) 葛迪, 2001 年 4 月至 2007 年 3 月任彩虹玻璃厂厂长; 2007 年 3 月至今任彩虹集团电子股份有限公司金属部品事业部部长; 2007 年 3 月至今兼任彩秦电子器件有限公司董事长、彩虹电子配件有限公司董事长; 2007 年 12 月至今任彩虹集团电子股份有限公司总裁助理。

(9) 王琪, 1995 年 7 月至 2005 年 11 月任西安彩虹电器工业有限责任公司总会计师; 2005 年 12 月至今任彩虹集团公司资产财务部部长。

(10) 李加顺, 2000 年 3 月至 2003 年 3 月任本公司前二车间主任; 2003 年 3 月起任本公司工会主席、党群办主任; 2007 年 11 月起任本公司彩管二厂工会主席、党群办主任。

(11) 李淼, 2001 年 5 月至 2005 年 7 月任彩虹集团电子股份有限公司彩管一厂厂长; 2005 年 3 月至 2005 年 9 月兼任西安彩瑞显示技术有限公司总经理; 2005 年 8 月至 2007 年 12 月任彩虹集团电子股份有限公司副总裁; 2006 年 3 月至 2007 年 3 月兼任咸阳彩虹电子配件有限公司董事长; 2007 年 11 月起任本公司副总经理。2006 年 3 月至今任咸阳彩虹电子网版有限公司、昆山彩虹实业有限公司董事长。

(12) 姜阿合, 2003 年 4 月至 2005 年 11 月任珠海彩珠实业有限公司担任财务经理; 2005 年 12 月至 2007 年 11 月任西安彩虹电器工业有限责任公司总会计师; 2007 年 11 月起任本公司财务总监。

(13) 刘晓东, 2002 年 3 月至今任本公司董事会秘书。

## (二) 在股东单位任职情况

姓名	股东单位名称	担任的职务	任期起始日期	任期终止日期	是否领取报酬津贴
邢道钦	彩虹集团电子股份有限公司	董事长	2007 年 09 月	2010 年 09 月	是
葛迪	彩虹集团电子股份有限公司	金属部品事业部部长	2007 年 03 月	2010 年 09 月	是
葛迪	彩虹集团电子股份有限公司	总裁助理	2007 年 12 月	2010 年 09 月	是

## 在其他单位任职情况

姓名	其他单位名称	担任的职务	任期起始日期	任期终止日期	是否领取报酬津贴
邢道钦	彩虹集团公司	总经理	2005 年 07 月	--	否
郭盟权	彩虹集团公司	副总经理	2001 年 03 月	--	否
郭盟权	陕西彩虹电子玻璃有限公司	董事长	2006 年 10 月	2009 年 10 月	否
张少文	彩虹集团公司	副总经理	2001 年 03 月	--	否
王琪	彩虹集团公司	资产财务部部长	2005 年 11 月	--	是
葛迪	彩秦电子器件有限责任公司	董事长	2007 年 03 月	2010 年 03 月	否
葛迪	彩虹电子配件有限公司	董事长	2007 年 03 月	2010 年 03 月	否

## (三) 董事、监事、高级管理人员报酬情况

1、董事、监事、高级管理人员报酬的决策程序: 公司董事、监事及高级管理人员的年度报酬依据公司经营管理者薪酬管理办法规定, 根据经营业绩和考核结果确定基薪和年薪, 其中基薪按月支付, 年薪依据年度绩效考核结果一次性支付。



2、董事、监事、高级管理人员报酬确定依据：经公司股东大会批准，公司每年向每位独立董事支付 3 万元的津贴，按月支付。同时独立董事参加董事会、股东大会、根据公司章程行使职权或为公司开展工作发生的费用：包括但不限于交通费、住宿费等由公司另行支付。除此以外，公司独立董事不享受其它待遇。

3、不在公司领取报酬津贴的董事监事情况

不在公司领取报酬津贴的董事、监事的姓名	是否在股东单位或其他关联单位领取报酬津贴
邢道钦	是
郭盟权	是
张少文	是
王西民	是
葛迪	是
王琪	是

(四) 公司董事、监事、高级管理人员变动情况

姓 名	担任的职务	离任原因
丁文惠	董事、总经理	工作变动
马建朝	董事	工作变动
田小红	董事	工作变动
俞敏	董事	工作变动
闫跃平	监事	工作变动
靖慧勇	副总经理	工作变动
刘珍珠	总会计师	工作变动
李世敏	副总经理	工作变动
梁红艳	副总经理	工作变动

(五) 公司员工情况

截止报告期末，公司在职员工为 6,990 人，需承担费用的离退休职工为 49 人。员工的结构如下：

1、专业构成情况

专业类别	人数
生产人员	6,157
销售人员	36
技术人员	274
财务人员	22
管理人员	151
服务人员	82

2、教育程度情况

教育类别	人数
大学本科以上学历	307
大专	597
中专	382
高中及以下	5,704

## 六、公司治理结构

### (一) 公司治理的情况

公司严格按照《公司法》、《证券法》、《上市公司治理准则》及《公司章程》的有关规定规范运作，建立了较为完善的法人治理结构，公司治理的实际情况与中国证监会发布的上市公司治理文件要求基本一致。

报告期内，为了规范公司及其他信息披露义务人的信息披露行为，加强信息披露事务管理，保护投资者合法权益，公司按照中国证监会发布的《上市公司信息披露管理办法》的文件要求，对原《信息披露管理办法》进行了修订；根据中国证监会《关于加强上市公司募集资金使用管理的通知》要求，对《募集资金使用管理办法》进行了修订。同时为进一步完善公司治理结构，公司还制定了《独立董事制度》，补充设立了董事会提名委员会，制定了《董事会提名委员会实施细则》等公司治理文件，以进一步规范公司治理行为。

#### 1、股东与股东大会

按照《公司章程》的规定，股东按其所持股份享有平等的权利，并承担相应的义务。公司股东大会的召集、召开及表决程序规范，历次股东大会均经律师现场见证。公司每一项关联交易均严格按照交易双方事先签定的关联交易协议执行，做到公平、公正、公开。

#### 2、控股股东与上市公司

公司控股股东之间实现了业务、人员、资产、机构、财务五个方面的分开及独立，公司董事会、监事会均保持独立运作，保证了公司重大决策的独立性。

#### 3、董事及董事会

公司董事的选举和聘用程序严格按照《公司法》和《公司章程》的规定进行，董事会的人数及人员构成符合相关法律、法规的要求，聘请了三位独立董事进入董事会，独立董事占董事会成员人数的三分之一以上。建立了董事会议事规则，董事能勤勉尽责地履行职务，积极参加董事会会议及股东大会。

#### 4、监事及监事会

公司建立了监事会议事规则，监事会的人数及人员构成符合相关法规的规定。公司监事能根据《公司章程》及《监事会议事规则》规定，认真履行自己的职责，对公司的依法运作、关联交易、财务状况、高级管理人员履行职责等情况进行有效的监督和审核。

#### 5、信息披露

公司已制订了《信息披露管理办法》、《重大信息内部报告制度》、《投资者关系管理制度》等制度。报告期内，公司严格遵守中国证监会和上海证券交易所有关信息披露的法律法规的规定，认真履行了信息披露义务，并做到了信息披露真实、准确、及时、完整。

#### 6、公司治理专项自查活动情况

报告期内，公司根据中国证监会《关于开展加强上市公司治理专项活动有关事项的通知》要求和陕西证监局《关于贯彻落实中国证监会<关于开展加强上市公司治理专项活动有关事项的通知>的通知》的要求，积极开展公司治理专项活动，情况如下：

(1)、根据《通知》的要求，公司成立了以董事长为第一责任人的专项工作小组，对此项工作进行了认真细致的部署。公司专项工作小组本着实事求是的原则，对照《公司法》、《证券法》等有关法律、行政法规，以及《公司章程》等内部规章制度，对“三会”运做、内部控制、信息披露等公司治

理情况进行了全面深入的自查。

(2)、2007年5月29日,公司召开了第五届董事会第十二次会议,审议通过了《关于公司治理专项活动的自查报告及整改计划》,经中国证监会陕西监管局审核同意,于2007年8月17日在《中国证券报》、《证券时报》和上海证券交易所网站进行了公告。

(3)、2007年10月18日,中国证监会陕西证监局莅临公司现场检查了公司专项治理及整改情况。陕西证监局召集公司董事、监事、高管人员进行了座谈,听取了公司关于公司治理专项活动的开展情况、自查情况以及整改情况的汇报,查阅了公司三会记录、内控制度、财务会计资料、重大投资、重大合同等相关资料,对公司治理情况进行了全面的检查。

(4)、2007年10月29日,公司收到了中国证监会陕西监管局《关于彩虹显示器件股份有限公司治理情况的监管函》(陕证监函[2007]243号),对公司进一步加强和完善治理结构提出了新的要求和建议。

(5)、专项治理活动自查发现的问题以及监管部门现场检查提出的问题、整改措施和整改情况:

公司分别于2007年5月29日和2007年8月28日召开了第五届董事会第十二次会议和第五届董事会第十四次会议,审议通过了有关公司治理的制度,包括修订《信息披露管理办法》、《募集资金的管理制度》;为优化董事会组成,完善公司治理结构,补充设立了董事会提名委员会,选举产生了委员会委员,同时根据《公司法》、《上市公司治理准则》、《公司章程》及其他有关规定,制订《董事会提名委员会工作细则》;根据《公司法》、《关于在上市公司建立独立董事制度的指导意见》、《关于加强社会公众股股东权益保护的若干规定》和《公司章程》的有关规定,制定了《独立董事制度》,以强化独立董事职责,促进公司规范运作。在本次公司治理专项活动中,公司在相关监管部门的监督、指导下,进行了严格地自查和认真地整改。公司将以此此次活动为契机,进一步完善公司治理结构,规范关联交易行为,加强内部控制制度的执行,努力提高公司治理水平,促进公司健康持续的发展。

## (二) 独立董事履行职责情况

### 1、独立董事参加董事会的出席情况

独立董事姓名	本年应参加董事会次数	亲自出席(次)	委托出席(次)	缺席(次)
赵守国	10	9	1	0
张天西	10	10	0	0
刘汝林	10	10	0	0

### 2、独立董事对公司有关事项提出异议的情况

报告期内,公司独立董事未对公司本年度的董事会议案及其他非董事会议案事项提出异议。

## (三) 公司相对于控股股东在业务、人员、资产、机构、财务等方面的独立情况

1、业务方面:公司业务独立于控股股东。公司的生产系统完全独立于控股股东,动力供应依据市场价格与控股股东签订了关联交易协议,公司拥有独立的采购和销售系统。报告期内公司实施了重大资产置换方案,使公司与控股股东之间的产业分工更加明确,主营业务更加突出,公司与控股股东之间不存在同业竞争。

2、人员方面：公司全员实行劳动合同制，在劳动、人事、工资管理等方面独立于控股股东。公司总经理专职，总经理及其他高级管理人员没有在控股股东单位领薪。报告期内，公司资产置换完成后，相关人员已在自愿协商、合理分配的原则下，与原单位解除了劳动合同，并与新单位签订了劳动合同。

3、资产方面：本公司的资产独立完整，土地使用权、房产、工业产权、商标等归属明确，产权明晰。本公司和控股股东及关联子公司签订了商标使用权许可使用协议、房产、土地租赁和综合服务协议，履行了必要的审批程序。

4、机构方面：公司的生产经营和行政管理完全独立于控股股东，不存在控股股东直接或间接干预本公司设立内部机构的情况。

5、财务方面：公司设立有独立的财务会计部门，并建立了独立的会计核算体系和财务管理制度，开立了独立的银行帐户，依法独立纳税。

#### (四) 高级管理人员的考评及激励情况

公司根据经营业绩和履行职责情况对高级管理人员实行月度考评和年度考核，月度考评以 KPI 指标为考核依据，年度考核时高管人员向董事会进行工作述职，考核结果作为其薪酬、晋升的依据。公司将进一步建立和完善董事、监事和高管人员的绩效评价标准和有关制度。

#### (五) 公司内部控制制度的建立健全情况

为了规范公司的内部控制，加强内部管理，保证各项业务的正常、规范进行，确保公司资产的安全和完整，防止欺诈和舞弊行为，实现公司的经营管理目标，公司依照国家有关法律法规的规定，根据公司的资产结构和经营方式，结合自身业务发展情况和运营管理经验，建立了较为完整、有效、合理的内部控制制度体系。

公司的主要内控制度包括：公司章程和“三会”制度、信息披露管理制度、岗位职责标准、财务控制制度体系、劳动人事分配管理制度、质量管理制度、设备及备品备件管理制度、生产管理、销售管理、信息化管理等业务制度。

公司较为完整、有效、合理的内部控制制度体系，保障了公司正常生产经营活动的进行，并达到了有效控制经营风险的目的。未来公司还将根据生产经营及公司发展的实际需要，对公司的内部控制制度作进一步的修改和完善，使内控制度与公司的发展相适应。

#### (六) 公司披露董事会对公司内部控制的自我评估报告和审计机构的核实评价意见

本公司不披露董事会对公司内部控制的自我评估报告和审计机构的核实评价意见。

### 七、股东大会情况简介

#### (一) 年度股东大会情况

公司于 2007 年 6 月 27 日召开第十五次(2006 年度)股东大会年度股东大会。决议公告刊登在 2007 年 6 月 28 日的《中国证券报》、《证券时报》。

#### (二) 临时股东大会情况

公司于 2007 年 11 月 29 日召开 2007 年第一次临时股东大会。决议公告刊登在 2007 年 11 月 30 日的《中国证券报》、《证券时报》。

## 八、董事会报告

### 一、管理层讨论与分析

#### (一)报告期内公司经营情况的回顾

##### 1、报告期总体经营状况

本公司主营业务为彩色显像管的生产、开发与经营。随着平板电视技术的突破，彩色显像管电视市场份额呈现出下降的趋势，彩管行业也随之受到影响。面对更加严峻的形势，公司坚持落实“做强彩管、创新产业”的经营发展思路；积极推进营销拉动战略、总成本领先战略、新技术支撑战略；开展管理创新、技术创新，加快新品研发，优化生产流程，扩大产品销售。在彩管行业经营环境持续恶化的形势下，克服彩管价格下降、行业总体销量下降等重重困难，取得国内同行业中较好的经营业绩。

2007 年，公司累计生产彩色显像管 780.73 万只，比上年同期增长 8.92%；销售彩管 722.88 万只，比上年同期增长 5.22%，其中出口 122.78 万只，比上年同期增长 4.95%。报告期内彩管销售数量虽比上年增加，但是由于主要品种价格降低幅度较大，导致营业收入减少，毛利率降低，主要财务指标较上年同期均出现较大幅度的下滑。2007 年实现营业收入 170,569.61 万元，较上年同期减少了 17.48%；实现营业利润-2894.87 万元，较上年同期减少了 287.74%；实现归属于母公司股东的净利润-2843.36 万元。

报告期内，为了明确产业分工、突出公司主营业务，公司实施了重大资产置换整合工作。资产置换后公司将专注于包括 CRT 在内的各种显示器件的研发、生产和销售，集中精力做强主业。本次资产置换后，公司的彩管生产线由原有的 4 条增加到 8 条，产品品种更加丰富（可生产 37cm、40cm、54cm、64cm、74cm 等多个品种的彩色显像管），产能由原来的 750 万只增加到 1600 万只，成为中国最大的彩色显像管制造商，位居全球彩管行业排名前三强。产能的大幅提升和产品结构的完善，也为公司巩固国内市场和开拓国际市场打下了坚实的基础。

##### 2、公司主营业务及其经营状况

#### (1)、主营业务分行业、产品情况表

单位:元 币种:人民币

分行业或分产品	营业收入	营业成本	营业利润率(%)	营业收入比上年增减(%)	营业成本比上年增减(%)	营业利润率比上年增减
彩色显像管	1,615,050,605.77	1,543,352,266.60	4.44%	-11.05%	-4.85%	减少 623 个百分点
偏转线圈	82,006,665.72	69,794,202.78	14.89%	-66.59%	-70.20%	增加 1031 个百分点

#### (2)、主营业务分地区情况

单位:万元 币种:人民币

地区	营业收入	营业收入比上年增减(%)
西南地区	28,167.05	-12.66%
华东地区	23,801.70	-18.82%
华南地区	81,988.86	-9.75%
西北及其他地区	7,256.99	-63.37%
境外	29,355.01	-13.41%

## 3、主要供应商、客户情况

单位：元 币种：人民币

前五名供应商采购金额合计	1,063,503,928.97	占采购总额比重	69.62%
前五名销售客户销售金额合计	1,170,692,917.98	占销售总额比重	68.63%

## 4、公司资产和利润构成变动情况

## 1) 报告期末公司资产及负债构成发生重大变化的说明

单位：元 币种：人民币

项目	2007 年末		2006 年末		同比增减
	金额	占总资产的比重 (%)	金额	占总资产的比重 (%)	
应收款项	665,112,104.96	32.56%	868,277,329.30	40.44%	减少 788 个百分点
存货	264,454,203.79	12.95%	183,667,047.92	8.55%	增加 440 个百分点
投资性房地产	4,696,564.26	0.23%	4,914,972.33	0.23%	--
长期股权投资	24,060,000.00	1.18%	133,088,165.45	6.20%	减少 502 个百分点
固定资产	900,177,421.85	44.07%	786,421,766.38	36.63%	增加 744 个百分点
在建工程	3,516,591.17	0.17%	2,005,222.00	0.09%	增加 008 个百分点
无形资产	22,538,690.46	1.10%	41,589,054.00	1.94%	减少 084 个百分点
短期借款	314,000,000.00	15.37%	300,000,000.00	13.97%	增加 140 个百分点
资产总额	2,042,414,249.22	100.00%	2,146,988,770.66	100.00%	--

(1)、应收款项减少的主要原因是应收票据减少所致。

(2)、存货增加的主要原因是库存商品增加所致。

(3)、长期股权投资减少的主要原因报告期内公司实施了资产重组，将所持有的咸阳彩虹数码显示有限公司、西安新纪元俱乐部有限公司股权转让彩虹集团公司所致。

(4)、固定资产增加主要是由于报告期内公司实施了资产重组，从彩虹集团电子股份有限公司购入彩管生产线等相关设备所致。

(5)、在建工程增加主要是由于本期技改项目未转入固定资产所致。

(6)、无形资产减少主要是报告期内公司将所持西安彩虹资讯有限公司的全部股权转让给控股股东彩虹电子，2007 年下半年该公司未纳入合并报表，其土地使用权的转出使得本公司无形资产减少。

## 2) 报告期公司各项费用构成变动情况的说明

单位：元 币种：人民币

项目	2007 年度	2006 年度	增减比例 (%)
销售费用	75,909,007.24	77,592,062.51	-2.17%
管理费用	36,753,935.60	43,884,420.65	-16.25%
财务费用	19,948,968.22	18,749,015.89	6.40%



- (1)、销售费用比上年减少的主要是由于本年销售区域变化导致运费减少所致。
- (2)、管理费用比上年大幅度减少的主要是由于营业收入减少导致商标使用费用、防洪保安基金等相应减少,以及离退人员补偿金减少等所致。
- (3)、财务费用比上年增加的主要原因是外汇损失增加所致。

## 5、公司现金流量情况分析

单位:元 币种:人民币

项目	2007 年度	2006 年度	增减比例
一、经营活动产生的现金流量			
现金流入小计	1,100,704,512.92	1,254,672,375.21	-12.27%
现金流出小计	1,067,151,800.41	1,215,313,044.00	-12.19%
经营活动产生的现金流量净额	33,552,712.51	39,359,331.21	-14.75%
二、投资活动产生的现金流量			
现金流入小计	-10,330,363.01	2,232,643.00	-562.70%
现金流出小计	15,950,090.37	4,493,218.00	254.98%
投资活动产生的现金流量净额	-26,280,453.38	-2,260,575.00	-1062.56%
三、筹资活动产生的现金流量			
现金流入小计	338,000,000.00	300,000,000.00	12.67%
现金流出小计	360,979,452.50	402,924,285.00	-10.41%
筹资活动产生的现金流量净额	-22,979,452.50	-102,924,285.00	77.67%
四、现金及现金等价物净增加金额	-16,898,188.42	-65,825,528.79	74.33%

- (1)、经营活动产生的现金流量净额比上年减少的主要原因是由于主营业务收入减少所致。
- (2)、投资活动产生的现金流量净额比上年减少的主要原因是本报告期内将彩虹资讯股权转让给母公司彩虹电子,彩虹资讯期末未纳入公司合并报表导致“处置子公司及其他营业单位收到的现金净额”项目减少以及购建固定资产现金支出比上年增加所致。
- (3)、筹资活动产生的现金流量净额比上年增加的原因是取得短期借款收到的现金增加 3800 万元;偿还短期借款支付的现金减少 3600 万元;偿还利息减少所致。

## 6、公司主要控股公司及参股公司经营情况及业绩分析

单位:万元 币种:人民币

公司名称	主要产品和服务	注册资本	资产规模	净资产	净利润
西安彩虹资讯有限公司	显示器零部件、电子资讯产品的生产开发及销售。	13,000	21,972.84	15,927.48	864.77
西安彩辉显示技术有限公司	彩色显示器件用彩管及配套产品的研发、制造、销售。	1,000	5,936.88	857.1	-95.98
咸阳彩虹数码显示有限公司	主营超大屏幕彩管生产	65,000	18,034.00	17,409.47	-1,674.09
西安新纪元国际俱乐部有限公司	主营餐饮、娱乐服务	4,800	5,067.14	3,687.83	-219.40

注:报告期内,为了提高公司资产质量,优化公司业务结构,公司实施了重大资产置换方案,其中将本公司持有的咸阳彩虹数码显示有限公司 49%的股权和西安新纪元国际俱乐部有限公司 41.67%的股权转让给了本公司实际控制人彩虹集团公司;将本公司持有的西安彩虹资讯有限公司 55%的股权转让给了本公司控股股东彩虹集团电子股份有限公司。上述股权转让使公司获得股权转让收益 2807 万元。

## 7、报告期内的技术创新、节能减排等情况

2007 年度公司共确立防爆钢带新厂家认定、64cmPF 偏转线圈量产应用、偏转线圈轻量化改进等技术进步项目 175 项，报告期内完成计划项目 170 项，项目计划完成率 97%，批量应用项目 144 项，实现经济效益约 11663 万元。

公司一贯高度重视技术创新工作，积极实施技术支撑战略，推行时间管理、看板管理、研发流程再造、项目组合管理等科学管理，全力推进新品研发进度，整体研发能力不断提升。通过采取对现有产品的不断优化以及新产品的开发，完善了产品结构，降低了产品成本，提高了产品品质，大大增强了市场占有率，其中成功研制的 61cmWPFUSCPT 管型，提高了公司核心竞争力，巩固了公司的行业地位。

2007 年公司开展了以节能降耗为主要内容的循环经济工作，通过技术创新节约动能消耗，降低产品的动能成本。根据计划共立项 23 项，完成 22 项，全年产生效益为 304 万元，单位产品能源消耗下降 14%。在实现节约资源的同时，使企业的效益得到了有益的提升，从而实现了社会利益与企业经济效益的统一，企业的社会责任与盈利责任的和谐统一。

## （二）、对公司未来发展的展望

### 1、公司所处的行业发展趋势及公司面临的市场竞争格局

2007 年，全球范围内显示器件的产业格局调整仍在继续，液晶显示器（LCD）电视呈现了较高的行业景气度。报告期内全球彩色显像管（CRT）电视出货量 1.07 亿台，占全球各类电视总出货量的 54%。作为全球最大彩管生产基地的中国大陆，报告期内，中国彩管企业总出货量为 5258 万只，预计到 2010 年中国彩管企业总出货量占全球的比例将进一步提升。彩管超薄化、纯平化、数字化所带来的技术进步进一步强化了产品性价比，使得部分彩管细分市场需求依然强劲。

### 2、公司未来发展机遇和挑战

展望 2008 年，公司认为虽然目前平板电视发展的速度较快，但从产品的技术性能角度看，彩管电视在图像对比度、动态清晰度等方面性能优于平板电视，而且具有良好的性价比，因此彩管电视仍具有较强的生命力。由于 CRT 电视市场的庞大基数和全球各地区间、各阶层间经济水平的不均衡决定了较长一段时间内 CRT 电视仍将是全球电视机市场的重要组成部分。中国企业在彩管生产方面已经积累了丰富的经验，并形成了完整的产业链，彩管行业内优秀企业的竞争优势将会得到发挥。其一，彩管在部分细分市场上仍具有发展潜力。其二，随着我国建设社会主义新农村政策的（如家电下乡政策）不断深入落实，在乡镇以及广大的农村市场中，彩管电视将占有绝对优势，市场空间很大。其三，中国的彩管生产企业凭借规模化、低成本、种类多等优势，将会不断开拓海外市场，彩管电视在广大发展中国家将会有新的市场机会出现。所以我们认为对于有规模、有竞争力、有创新力的彩管企业，依然能够稳健经营、获得良好发展。

公司已实施了重大资产重组，并将专注于显示器件的生产、销售和研发，其中既包括目前的彩色显像管业务，也包括今后发展的新型平板显示器件业务。重组后公司彩管生产规模大幅度增加、产品品种更加齐全，成为中国最大的彩色显像管专业制造商。作为彩管行业的龙头企业，公司继续将“做

强彩管”作为一项重要战略，积极抓住“家电下乡”的市场契机，大力拓宽市场，积极推进新品研发，充分发挥公司规模优势、成本优势、配套优势和技术创新优势，继续采取成本领先、营销拉动、新技术支撑等一系列积极有效的经营策略，进一步提升彩管业务的竞争力。

随着新型显示技术的不断发展，显示器件产品结构呈现出多样化，形成了 CRT、LCD、等离子等产品共同发展的市场格局。根据公司未来发展规划，公司将不断加大产业升级推进力度，充分发挥自身优势，选择时机进入 TFT-LCD 等第二代新型显示器件领域。同时公司还将高度关注 OLED（有机电致发光显示器）等第三代显示技术的发展，利用政府政策的支持和大专院校的研发平台，推进其产业化发展，使公司在我国显示器件行业中更具竞争力。

### 3、新年度经营计划

2008 年度公司主要经营目标：彩管销售 1538 万只，销售收入 32.5 亿元。

实现上述计划拟采取的主要措施如下：

（1）、广泛调研，制订并完善公司中长期战略发展规划，明确目标和任务，以科学的规划指导公司的建设和发展。

（2）、推进实施精确管理，把精确管理理念灌输到各项工作之中，全面提升公司管理水平。

（3）、充分发挥“销、产、供、研”的协同效应，以市场营销为龙头，继续实施营销拉动战略，抓住战略客户、培育长期客户、带动中小客户，既要追求产能利用率，又要追求市场占有率，更要追求销售利润率。

（4）、持续推进总成本领先战略，以“全方位、持续降低成本”为工作中心，同时注重产品质量，满足用户需求，综合提高产品市场竞争能力、盈利能力。

（5）、整合采购资源，在保证材料配套供应的同时，围绕降低成本开展各项工作。加强全面预算管理，控制财务风险，提高资产质量；通过逐步完善预算管理体系和制度，提高全员的全面预算意识。建立动态分析预测机制，注意过程控制。控制好应收帐款和存货的数量，确保资金安全，降低财务费用，减少人民币的汇兑损失。认真推进新的会计准则的Implement和执行，实现新旧会计准则顺利平稳过渡。

（6）、积极推进科研新品工作，不断优化产品结构，改善产品性能，为市场销售提供竞争力，为企业生产提供成本裕度、质量裕度。

### 4、实现未来计划发展战略的资金需求及使用计划

根据公司新年度生产经营计划，公司日常经营的资金需求主要通过自有资金和银行信贷方式解决，2008 年预计银行借款约 3 亿元人民币左右。公司还将根据今后业务发展情况，通过多种方式筹措资金。

## 5、对公司未来发展战略和目标的实现产生不利影响的风险因素

### （1）行业风险

受平板显示器件快速增长的冲击，整个彩管行业呈现逐步衰退的趋势，彩管产品的市场占有率明显下降。

### （2）经营风险

随着上游部分原材料价格的上涨和彩管产品价格的下降，公司经营可能面临较大的压力；同时随着公司产品出口量的增长，人民币升值的汇率风险亦会对公司经营业绩产生不利影响。

### 针对上述风险公司将采取如下措施：

进一步深化公司“做强彩管，创新产业”经营战略，围绕做强彩管盈利为中心，实现企业业务转型为突破，推进营销拉动、成本领先、新技术支撑三大战略。

#### （1）稳定并努力提高公司的行业地位和综合竞争力。

进一步深化公司“做强彩管，创新产业”经营战略，继续做强主营业务，充分利用规模优势、成本优势、内部配套的优势，提高公司在国内、国际的行业地位和综合竞争力和盈利能力。

#### （2）积极培育新产业，增加新的利润增长点。

在做强彩管业务的同时，积极向新的业务领域探索，适时介入新型显示器件产业。

## 二、公司投资情况

### 1、募集资金使用情况

报告期内，公司无募集资金或前期募集资金使用到本期的情况。

### 2、非募集资金项目情况

报告期内，公司无非募集资金投资项目。

## 三、公司会计政策、会计估计变更或重大会计差错更正的原因及影响

### 1、重大会计政策、会计估计变更的影响

本公司原执行 2006 年以前颁布的原企业会计准则和制度，从 2007 年 1 月 1 日执行企业会计准则，并自该日起按照新企业会计准则的规定确认、计量和报告本公司的交易或事项。对于因首次执行新企业会计准则而发生的会计政策变更，本公司采用下述方法进行处理。

#### 采用追溯调整法核算的重大会计政策变更

（1）长期股权投资：执行新企业会计准则之前，母公司报表中对子公司的长期股权投资以权益法核算；执行新会计准则后，对子公司的长期股权投资采用成本法核算，编制合并财务报表时按权益法进行调整。于首次执行日，对母公司报表中的对子公司长期股权投资予以追溯调整，视同该子公司自最初即采用成本法核算。

(2) 所得税：执行新企业会计准则之前，所得税的会计处理方法采用应付税款法。执行新企业会计准则后，采用资产负债表债务法进行所得税会计处理。

(3) 与收益相关的政府补助：在执行新企业会计准则之前，与收益相关的政府补助在实际收到时计入补贴收入。执行新企业会计准则之后，上述与收益相关的政府补助在能够满足所附条件并且能够收到时予以确认。

对于上述会计政策变更，本公司按照《企业会计准则第 38 号--首次执行企业会计准则》及其相关规定，进行了追溯调整，并对财务报表重新进行了表述。上述会计政策变更对 2006 年 1 月 1 日和 2006 年 12 月 31 日的合并及母公司的股东权益及 2006 年度净利润的影响列示如下：

1) 对 2006 年 1 月 1 日合并股东权益的影响

项目	未分配利润	盈余公积	资本公积	少数股东权益	合计
(1) 长期股权投资由权益法改为成本法	1,241,357	-1,241,357	0.00	0.00	0.00
(2) 少数股东权益作为股东权益列报	0.00	0.00	0.00	68,703,815	68,703,815
(3) 所得税	131,424	0.00	0.00	107,529	238,953
合计	1,372,781	-1,241,357	0.00	68,811,344	68,942,768

2) 对 2006 年度合并净利润的影响

项目	金额
(1) 所得税	224,086
(2) 内退人员辞退福利（含合并范围内子公司）	-5,460,549
(3) 少数股东损益作为净利润项目列报（不含辞退福利部分）	-101,324
合计	-5,337,787

3) 对 2006 年 12 月 31 日合并股东权益的影响

项目	未分配利润	盈余公积	资本公积	少数股东权益	合计
(1) 长期股权投资由权益法改为成本法	1,241,357	-1,241,357	0.00	0.00	0.00
(2) 内退人员辞退福利	-4,586,170	0.00	0.00	-874,380	-5,460,550
(3) 少数股东损益作为股东权益列报	0.00	0.00	0.00	68,602,492	68,602,492
(4) 盈余公积的转回	334,469	-334,469	0.00	0.00	0.00
(5) 所得税	408,975	0.00	0.00	54,064	463,039
合计	-2,601,369	-1,575,826	0.00	67,782,176	63,604,981

4) 对 2006 年 1 月 1 日母公司股东权益的影响

项目	未分配利润	盈余公积	资本公积	合计
长期股权投资由权益法改为成本法	-10,711,508	-1,241,357	0.00	-11,952,865

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## 5) 对 2006 年度母公司净利润的影响

项目	金额
(1) 内退人员辞退福利	-3,174,589
(2) 投资收益	-170,102
合计	-3,344,691

## 6) 对 2006 年 12 月 31 日母公司股东权益的影响

项目	未分配利润	盈余公积	资本公积	合计
(1) 盈余公积的转回	334,469	-334,469	0.00	0.00
(2) 内退人员辞退福利	-3,174,589			-3,174,589
(3) 长期股权投资由权益法改为成本法	-10,881,610	-1,241,357	0.00	-12,122,967
合计	-13,721,730	-1,575,826	0.00	-15,297,556

## 采用未来适用法核算的重大会计政策变更

除上述采用追溯调整法核算的重大会计政策变更以外，本公司因首次执行新会计准则还发生了下述主要会计政策变更，并采用未来适用法进行会计处理。具体包括：

(1) 非流动资产减值：在执行新企业会计准则之前，本公司前期已确认的非流动资产的减值损失如果在以后会计期间恢复的，按照恢复的金额，在不超过已确认减值损失金额的范围内，予以转回，计入当期损益。在执行新企业会计准则之后，本公司对非流动资产计提减值准备，非流动资产的减值损失一经确认，除资产处置、出售、对外投资等情况外，在以后会计期间不得转回。

(2) 职工福利费：执行新企业会计准则之前，本公司按照工资总额的 14% 计提职工福利费，并计入当期损益。在执行新企业会计准则后，本公司不再按照工资总额的 14% 计提职工福利费，本公司根据实际情况和职工福利计划确认应付职工薪酬(职工福利)，并计入当期损益。首次执行日后的第一个会计期间，将根据新企业会计准则确认的应付职工薪酬(职工福利)与原转入的职工薪酬(职工福利)之间的差额计入当期损益。

(3) 与资产相关的政府补助：执行新企业会计准则前，本公司收到的与资产相关的政府补助作为专项应付款核算，并在有关拨款项目完成后，对于形成固定资产或产品并按规定留给本公司的，将有关专项应付款计入资本公积；对未形成资产需要核销的拨款以及形成资产按规定上交国家的，经批准后将专项应付款与有关资产科目冲销。执行新企业会计准则后，与资产相关的政府补助确认为递延收益，并在相关资产使用寿命内平均分配，计入当期损益。与收益相关的政府补助，用于补偿本公司以后期间的相关费用或损失的，确认为递延收益，并在确认相关费用的期间，计入当期损益；用于补偿本公司已发生的相关费用或损失的，直接计入当期损益。

## 2. 重大会计差错的更正和影响

本公司本年无重大会计差错的更正和影响事项。



#### 四、董事会日常工作情况

##### 1、董事会会议情况及决议内容

(1)、公司于 2007 年 3 月 20 日召开第五届董事会第九次(临时)会议董事会会议,审议通过了《关于调整公司高级管理人员的议案》。决议公告刊登在 2007 年 3 月 22 日的《中国证券报》、《证券时报》。

(2)、公司于 2007 年 4 月 11 日召开第五届董事会第十次会议董事会会议,审议通过了《2006 年度总经理工作报告》、《2006 年度董事会工作报告》、《2006 年度财务决算报告》《2006 年度利润分配预案》、《关于冲回部分存货跌价准备的议案》、《2006 年年度报告及其摘要》和《关于召开公司第十五次(2006 年度)股东大会的议案》。决议公告刊登在 2007 年 4 月 13 日的《中国证券报》、《证券时报》。

(3)、公司于 2007 年 4 月 23 日召开第五届董事会第十一次会议董事会会议,审议通过了公司《2007 年第一季度报告》。

(4)、公司于 2007 年 5 月 29 日召开第五届董事会第十二次会议董事会会议,审议通过了《关于公司治理专项活动的自查报告及整改计划》、《信息披露管理制度》、《募集资金使用管理办法》、《关于变更会计师事务所的议案》、《关于变更公司董事的议案》和《关于召开公司第十五次(2006 年度)股东大会的议案》。决议公告刊登在 2007 年 5 月 30 日的《中国证券报》、《证券时报》。

(5)、公司于 2007 年 7 月 26 日召开第五届董事会第十三次会议董事会会议,审议通过了公司《重大资产重组暨关联交易的议案》、《关于转让咸阳彩虹数码显示有限公司股权的议案》、《关于转让西安新纪元国际俱乐部有限公司股权的议案》和《关于资产置换后新增日常关联交易事项的议案》。决议公告刊登在 2007 年 7 月 28 日的《中国证券报》、《证券时报》。

(6)、公司于 2007 年 8 月 28 日召开第五届董事会第十四次会议董事会会议,审议通过了《2007 年半年度报告》及其摘要、《关于补选董事会战略委员会委员的议案》、《关于设立董事会提名委员会的议案》和《董事会提名委员会工作细则》。决议公告刊登在 2007 年 8 月 30 日的《中国证券报》、《证券时报》。

(7)、公司于 2007 年 10 月 24 日召开第五届董事会第十五次会议董事会会议,审议通过了公司《2007 年第三季度报告》。

(8)、公司于 2007 年 11 月 2 日召开第五届董事会第十六次(临时)会议董事会会议,审议通过了《公司治理专项活动的整改报告》。

(9)、公司于 2007 年 11 月 13 日召开第五届董事会第十七次会议董事会会议,审议通过了《关于变更公司董事的议案》、《关于修改公司章程的议案》、《关于重大资产置换暨关联交易的议案》和《彩虹显示器件股份有限公司重大资产置换暨关联交易报告书》(修订稿),决定了关于召开公司 2007 年第一次临时股东大会的有关事宜。决议公告刊登在 2007 年 11 月 14 日的《中国证券报》、《证券时报》。

(10)、公司于 2007 年 11 月 29 日召开第五届董事会第十八次会议董事会会议,审议通过了《关于改选公司董事长的议案》、《关于选举公司副董事长的议案》、《关于改聘公司总经理的议案》、《关于改聘公司副总经理和财务总监的议案》、《关于调整公司董事会各专业委员会委员的议案》和《关于调整公司组织机构的议案》。决议公告刊登在 2007 年 11 月 30 日的《中国证券报》、《证券时报》。

##### 2、董事会对股东大会决议的执行情况

报告期内,公司董事会根据《公司法》、《证券法》等有关法律、法规和《公司章程》要求,严格按照股东大会决议和授权,认真执行了股东大会通过的各项决议。

2007 年 11 月 29 日，公司 2007 年第一次临时股东大会审议通过了公司重大资产重组暨关联交易的各项议案。本次资产置换涉及的经营性资产已全部移交完毕；股权转让的相关工商变更登记手续已全部办理完毕。

### 3、董事会下设的审计委员会的履职情况汇总报告

根据中国证监会《关于做好上市公司 2007 年年度报告及相关工作的通知》、上海证券交易所《关于做好上市公司 2007 年年度报告工作的通知》的要求，公司制定了《董事会审计委员会年报工作规程》。根据年报工作规程的规定，审计委员会对公司 2007 年度审计工作履行了监督、督促和审核的职责。

(1)、审计委员会与公司审计机构信永中和会计师事务所进行了必要的沟通，确定了公司 2007 年度审计工作计划和时间安排。

(2)、审计委员会在年审注册会计师进场前认真审阅了公司 2007 年年度财务报表，认为公司财务报表依照公司会计政策编制，会计政策运用恰当，会计估计合理，符合新企业会计准则、企业会计制度及财政部发布的有关规定要求；公司财务报表纳入合并范围的单位和报表内容完整，报表合并基础准确；公司财务报表客观、真实地反映了公司的财务状况、经营成果，并形成了书面意见。

(3)、审计委员会在年审注册会计师进场后与其保持了持续的沟通，并先后两次以书面形式督促年审注册会计师在保证审计质量的前提下，按照约定的时间及时提交审计报告，以保证公司审计和年报编制工作的有序开展和及时完成。

(4)、审计委员会在年审注册会计师出具初步审计意见后再次审阅了公司 2007 年度财务报表，我们认为公司在审计前编制的财务报表与审计后的财务报表没有重大差异；经审计的财务报表符合新企业会计准则的相关规定，财务数据准确、不存在重大遗漏，如实地反映了公司的经营状况；会计师事务所获取的审计证据是充分、适当的；会计师事务所对公司财务报表反映的财务状况、经营成果和现金流量所出具的审计意见是客观、公正的，并形成了书面意见。

(5)、审计委员会于 2008 年 4 月 22 日召开了第一次会议，审议通过了公司《2007 年度财务报告》、《关于会计师事务所从事 2007 年度审计工作的总结报告》和《关于聘请会计师事务所的议案》。

### 4、董事会下设的薪酬委员会的履职情况汇总报告

报告期末，董事会薪酬与考核委员会根据公司薪酬制度和 2007 年度生产经营目标的完成情况，依照公司绩效评价体系，对董事、监事和高级管理人员履职情况进行了审核。我们认为，公司董事、监事和高级管理人员的薪酬发放符合公司薪酬制度与绩效考核标准，年度报告所披露的薪酬数据是真实、准确的。

### 五、利润分配或资本公积金转增预案

经信永中和会计师事务所有限公司审计，公司 2007 年度实现净利润-2843.36 万元。由于本年度公司经营亏损，董事会提议本年度不进行利润分配，也不进行资本公积金转增股本。上述利润分配预案尚须提交公司 2007 年度股东大会批准。

### 六、其他披露事项

2008 年公司选定的信息披露报纸是《中国证券报》和《证券时报》，没有变更。

## 九、监事会报告

### (一) 监事会的工作情况

1、2007年4月11日召开了第五届监事会第七次会议,审议通过了《2006年度监事会工作报告》、《2006年度财务决算报告》、《关于冲回存货跌价准备的议案》、《2006年年度报告正文及其摘要》和《关于变更监事的议案》。

2、2007年4月23日召开了第五届监事会第八次会议,审议通过了公司《2007年第一季度报告》。

3、2007年5月29日召开了第五届监事会第九次会议,审议通过了《关于变更会计师事务所的议案》。

4、2007年7月26日召开了第五届监事会第十次会议,审阅了公司《重大资产重组及关联交易的议案》、《关于转让咸阳彩虹数码显示有限公司股权的议案》、《关于转让西安新纪元国际俱乐部有限公司股权的议案》和《关于重大资产置换后新增日常关联交易事项的议案》。监事会全体成员还列席了公司第五届董事会第十三次会议,审查了公司本次资产置换、股权转让和关联交易的相关文件,发表了监事会意见。

5、2007年8月28日召开了第五届监事会第十一次会议,审议通过了《公司2007年半年度报告》及其摘要。

6、2007年10月24日召开了第五届监事会第十二次会议,审议通过了公司《2007年第三季度报告》。

### (二) 监事会对公司依法运作情况的独立意见

监事会认为,报告期内公司能够按照《公司法》、《上海证券交易所股票上市规则》、《上市公司治理准则》等法律、法规以及制度的要求依法管理、依法经营、规范运作,重大决策依据充分,决策程序合法有效;股东大会决议能够切实执行;内部控制制度较为完善,没有因决策失误侵害股东权益、公司利益和职工权益的行为。公司董事、经理在执行公司职务时,没有违反法律、法规、公司章程以及损害公司及股东利益的行为。

### (三) 监事会对检查公司财务情况的独立意见

监事会通过查看公司财务报告、询问财务部门的相关人员等渠道,对公司财务状况进行了解、检查和监督,认为公司的财务制度健全,财务管理规范,未发现有违反财务管理制度的行为。信永中和会计师事务所有限公司对公司2007年度财务报告出具了标准无保留意见的审计报告,客观、公正、真实、准确地反映了公司的财务状况和经营成果。

### (四) 监事会对公司重大资产重组的独立意见

监事会审阅了公司《重大资产置换及关联交易的议案》及相关文件,认为通过本次资产置换,使公司的产品结构将更加齐全,生产能力明显扩大,产品的市场占有率得到提升,可以减少公司的经营风险,有利于公司的稳定、持续发展,符合全体股东利益;本次股权转让,旨在提高公司资产质量,优化公司业务结构,集中精力做强主业,巩固和提高公司的市场地位;本次因资产置换发生的关联交易的定价政策符合公平、公正的原则,交易价格公允,关联交易的决策程序符合公司章程的规定,不存在损害公司及非关联股东利益的情形。

### (五) 监事会对公司关联交易情况的独立意见

监事会认为,报告期内公司关联交易能严格按照董事会及股东大会审议通过的关联交易协议执行,符合公平、公正的原则;关联交易决策程序符合公司章程的规定,不存在损害公司及非关联股东利益的行为。

## 十、重要事项

### (一)重大诉讼仲裁事项

本公司接到美国加利福尼亚州北部地区法院关于美国 Crago 公司代表其本公司及其他类似情况的公司集体诉讼起诉书，指控包括彩虹集团公司、本公司在内的 21 家彩管制造企业违反美国相关法律，合谋控制市场，导致了原告及其他集体原告成员支付的费用超出了由竞争市场所确定的价格，因此要求为自己的损失获得三倍赔偿。美国加利福尼亚州北部地区法院依据相关法律规定，已经受理了本诉讼。本公司《关于涉及诉讼的公告》已刊登在 2008 年 1 月 31 日的《中国证券报》和《证券时报》。

根据起诉书所述，本公司相关部门对向美国销售彩管的情况进行了核查。经核查，本公司自 1995 年以来至今从未在美国市场销售过彩管，公司初步判断该诉讼事项不会对公司正常的经营活动产生负面影响。目前，本公司正在与彩虹集团公司协商相关应诉事宜。本公司《关于诉讼事宜进展情况的公告》已刊登在 2008 年 2 月 26 日的《中国证券报》和《证券时报》。

### (二)资产交易事项

#### 1、收购资产情况

2007 年 11 月 29 日，本公司向公司控股股东彩虹集团电子股份有限公司购买彩虹集团电子股份有限公司下属的彩管一厂的彩色显像管业务相关的经营性资产，具体包括四条彩管生产线、技术研发及其他相关资产（以下简称“显像管业务相关资产”）。本次收购价格的确定依据是根据北京国友大正评估有限公司出具的国友大正评报字[2007]第 63 号《资产评估报告书》（评估基准日为 2007 年 6 月 30 日），以经双方确认的评估价值以及资产移交日的调整说明为依据确定交易价格。该资产的账面价值为 34,824.65 万元，评估价值为 34,794.76 万元。2007 年 11 月 30 日，交易双方共同对彩管一厂相关固定资产设备进行了清点，签署了《固定资产设备交接书》。经双方确认，移交的固定资产共计 2,844 项，交易价格为人民币 32,778.23 万元，移交的存货及其他无形资产在资产移交日的账面值为 773.10 万元，目前上述资产移交的相关手续已经全部办理完毕。

#### 2、出售资产情况

1)、2007 年 11 月 29 日，本公司向公司控股股东彩虹集团电子股份有限公司转让本公司下属玻璃工厂的经营性资产。本次出售价格的确定依据是根据北京国友大正评估有限公司出具的国友大正评报字[2007]第 62 号《资产评估报告书》（评估基准日为 2007 年 6 月 30 日），以经双方确认的评估价值以及资产移交日的调整说明为依据确定交易价格。该资产的账面价值为 6,660.07 万元，评估价值为 12,674.03 万元。2007 年 11 月 30 日，交易双方共同对玻璃工厂的经营性资产固定资产设备进行了清点，签署了《固定资产设备交接书》，经双方确认，移交的固定资产共计 1,093 项，交易价格为人民币 10,699.47 万元，移交的存货在资产移交日的账面值为 1,164.66 万元，目前上述资产移交的相关手续已经全部办理完毕。

2)、2007 年 11 月 29 日，本公司向公司控股股东彩虹集团电子股份有限公司转让西安彩虹资讯有限公司 55%的股权。本次出售价格的确定依据是根据北京国友大正评估有限公司出具的国友大正评报

字[2007]第 65 号《资产评估报告书》（评估基准日为 2007 年 6 月 30 日），以经双方确认的评估价值确定交易价格。截至评估基准日彩虹资讯的账面净资产值为 15,473.04 万元，评估价值 17,261.40 万元，所对应的 55%的股权价值为 9,493.77 万元。目前相关股权工商变更登记的手续已办理完毕。

3)、2007 年 11 月 29 日，本公司向公司实际控制人彩虹集团公司转让咸阳彩虹数码显示有限公司 49%的股权。本次出售价格的确定依据是根据北京国友大正评估有限公司出具的国友大正评报字[2007]第 61 号《资产评估报告书》（评估基准日为 2007 年 6 月 30 日），以经双方确认的评估价值确定交易价格。截至评估基准日彩虹数码的账面净资产值为 18,055.71 万元，评估价值 18,252.65 万元，所对应的 49%的股权价值为 8,943.80 万元。目前相关股权工商变更登记的手续已办理完毕。

4)、2007 年 11 月 29 日，本公司向公司实际控制人彩虹集团公司转让西安新纪元国际俱乐部有限公司 41.67%的股权。本次出售价格的确定依据是根据北京国友大正评估有限公司出具的国友大正评报字[2007]第 66 号《资产评估报告书》（评估基准日为 2007 年 6 月 30 日），以经双方确认的评估价值确定交易价格。截至评估基准日新纪元俱乐部的账面净资产值为 3,648.39 万元，评估价值 7,537.99 万元，所对应的 41.67%的股权价值为 3,141.08 万元。目前相关股权工商变更登记的手续已办理完毕。

#### 5)、上述收购资产、出售资产、股权事项对公司的影响

本次资产重组实施后，本公司将专注于各种显示器件的生产、销售和研发，使公司主营业务更加突出，专业分工更为明确。公司将拥有国内最大的彩色显像管生产规模，有利于有效地降低生产成本，取得规模效益；有利于公司产品质量的提高和产品的更新换代；有利于加快新品推进的速度，提高公司的研发效率，快速满足市场的变化和用户的需求；有利于壮大公司的主营业务，提升公司在行业中的竞争地位，增强公司经营稳定性，对公司的可持续经营具有促进作用。

6)、上述收购资产、出售资产、股权事项已于 2007 年 7 月 28 日刊登在《中国证券报》和《证券时报》上；《关于重大资产置换暨关联交易实施进展公告》刊登于 2008 年 2 月 29 日的《中国证券报》和《证券时报》，公司聘请北京市嘉源律师事务所对本次资产置换的实施结果出具了法律意见书，同时登载于上海证券交易所网站（www.sse.com.cn）；《关于重大资产置换暨关联交易实施结果公告》刊登于 2008 年 3 月 29 日的《中国证券报》和《证券时报》上。

### (三)报告期内公司重大关联交易事项

#### 1、与日常经营相关的关联交易

##### (1)、购买商品、接受劳务的重大关联交易

单位:元 币种:人民币

关联方	关联交易内容	关联交易金额	占同类交易金额的比例(%)
彩虹集团电子股份有限公司	采购原材料	625,802,889.86	40.97
西安彩虹资讯有限公司	采购原材料	144,228,411.12	9.44



彩虹彩色显像管总厂	购买动力、能源	140,254,010.20	9.18
咸阳彩虹电子配件有限公司	采购原材料	94,342,387.20	6.18
咸阳彩虹电子网版有限公司	采购原材料	58,876,230.59	3.85
彩虹集团劳动服务公司	采购原材料	33,937,774.97	2.22
陕西彩虹三产总公司	采购原材料	33,072,001.83	2.17
陕西彩虹荧光材料有限公司	采购原材料	20,599,252.40	1.35
咸阳彩联包装材料有限公司	采购原材料	17,869,032.35	1.17
珠海彩珠实业有限公司	采购原材料	7,591,863.00	0.50
咸阳彩秦电子器件有限责任公司	采购原材料	5,197,979.01	0.34
昆山彩虹实业有限公司	采购原材料	2,480,460.72	0.16
咸阳彩虹胶带有限责任公司	采购原材料	2,299,571.79	0.15

## (2)、销售商品、提供劳务的重大关联交易

单位:元 币种:人民币

关联方	关联交易内容	关联交易金额	占同类交易金额的比例(%)
彩虹集团电子股份有限公司	销售产品	77,137,781.25	4.58
咸阳彩虹电子配件有限公司	销售材料	312,938.80	0.02
彩虹集团劳动服务公司	销售材料	116,978.40	0.01

## (3)、关联交易的定价原则

采购定价原则：由关联企业生产专供本公司的零部件：在合理测算生产成本和利润率的基础上，结合关联企业的供应量及齐套能力、产品的质量、成本、结算方式并参考可比性市场价协商定价。由关联企业供应本公司且其又对外销售的零部件：该等产品的供应价格应不高于其向第三方的供应价。

销售定价原则：根据彩管市场相关产品的市场供求状况和本公司或子公司的生产成本、合理利润等因素确定价格，原则上不低于向市场第三方的供应价。

动能供应的定价原则：有物价部门批准价格的，执行物价部门批准的价格；无物价部门批准价格的，参照当地同类企业供应价，并综合考虑生产成本、合理利润等因素协商定价。

## (4)、关联交易必要性和持续性的说明

本公司与控股股东彩虹电子、实际控制人彩虹集团及其关联人之间存在着与日常生产经营相关的持续的关联交易，其主要原因是彩虹集团是我国第一个彩色显像管生产企业，主要从事彩色显像管的设计和生产制造，由于当时我国尚未有与之相配套的零部件企业，所以将彩色显像管生产用的配套零部件都进行了技术引进，经过 20 多年的发展已经成为国内产量最大、配套最齐全的彩管生产和研发基地，在此背景下本公司在显示器件的生产方面与彩虹集团形成了大量关联交易。

由于本公司与彩虹集团、彩虹电子及其下属生产企业在生产经营中存在着配套供应的关系，且大多数厂家经营场所在咸阳。由于公司生产所需的大多数零部件无法从彩虹集团外部采购，同时彩虹集团电子股份有限公司内部配套厂家的产品质量较好、价格较低、供货稳定、便于运输、有利于生产组织，该等关联交易可充分利用彩虹集团电子股份有限公司内部的配套优势，节约采购费用，降低生产成本，提高公司的生产效率和效益。



本公司与相关关联方相互之间在生产经营方面存在一定的依赖性，亦形成了共同的经营风险。针对上述情况，关联交易各方在研发、生产方面紧密配合，充分发挥各自优势，努力降低成本，开发新产品。同时明确关联交易项目，合理定价，不存在损害非关联股东利益的情形。关联交易对本公司的持续经营能力、损益及资产状况不会产生不利影响。

## 2、资产、股权转让的重大关联交易

资产、股权转让的重大关联交易详见本章“（二）资产交易事项”章节。

## 3、关联债权债务往来

单位:万元 币种:人民币

关联方	关联关系	向关联方提供资金		关联方向公司提供资金	
		发生额	余额	发生额	余额
彩虹集团公司	实际控制人	35,345,473.46	35,345,473.46		
合计	/	35,345,473.46	35,345,473.46		

关联债权债务形成原因：

本公司将参股公司西安新纪元俱乐部有限公司 41.67%股权、彩虹数码显示有限公司 49%股权于 2007 年 11 月 30 日转让给实际控制人彩虹集团公司，本公司应收彩虹集团的股权转让款 120,848,760.27 元。截至 2007 年 12 月 31 日，85,503,286.81 元已收到，余额 35,345,473.46 元尚未收到。

关联债权债务清偿情况：

本公司应收彩虹集团的股权转让款余额 35,345,473.46 元已于 2008 年 1 月收到。

### (四) 托管情况

本年度公司无托管事项。

### (五) 承包情况

本年度公司无承包事项。

### (六) 租赁情况

本公司与彩虹集团公司签订了为期二年零一个月(自 2007 年 12 月 1 日起至 2009 年 12 月 31 日止)的不可撤消的经营性租赁合同，公司须根据租赁协议分别按每年每平方米人民币 11 元支付土地使用权，以及每月每平方米人民币 9 元的标准支付咸阳使用楼宇的租金，每年合计总金额 9,534,805.80 元。

### (七) 担保情况

本年度公司无担保事项。

### (八) 委托理财情况

本年度公司无委托理财事项。

**(九)其他重大合同**

本年度公司无其他重大合同。

**(十)承诺事项履行情况**

公司或持股 5%以上股东在报告期内或持续到报告期内的承诺事项

股改承诺及履行情况：持股 5%以上股东（彩虹集团电子股份有限公司）在股权分置改革过程中没有做出除法定承诺之外无其他承诺。报告期内，彩虹集团电子股份有限公司已严格履行了在股权分置改革方案中所做承诺。

**(十一)聘任、解聘会计师事务所情况**

报告期内，公司改聘了会计师事务所。公司原聘任普华永道中天会计师事务所有限公司为公司的境内审计机构，支付其上一年度审计工作的酬金为 48 万元，截止上一报告期末，该会计师事务所为本公司提供了 1 年审计服务。

根据国务院国资委《关于彩虹集团公司 2006 年度财务决算管理有关事项的复函》和《关于加强中央企业财务决算审计工作的通知》（国资厅发评价[2005]43 号）的要求，为了保证企业财务决算审计工作顺利进行，减少信息沟通障碍，提高审计工作质量，彩虹集团公司及其下属企业原则上只能由 1 家会计师事务所独立审计。鉴此，经公司审计委员会提议，股东大会表决通过，决定聘任信永中和会计师事务所有限责任公司为本公司 2007 年度审计机构，支付其年度审计工作的酬金为 39 万元。

**(十二)上市公司及其董事、监事、高级管理人员、公司股东、实际控制人处罚及整改情况**

报告期内公司及其董事、监事、高级管理人员、公司股东、实际控制人均未受中国证监会的稽查、行政处罚、通报批评及证券交易所的公开谴责。

**(十三)其它重大事项及其影响和解决方案的分析说明**

持有非上市金融企业股权情况

所持对象名称	最初投资金额（元）	持有数量(股)	占该公司股权比例(%)	期末账面价值（元）	报告期损益（元）	报告期所有者权益变动（元）	会计核算科目	股份来源
西部信托投资有限公司	30,000,000		5.01	24,060,000	565,873.23		长期股权投资	购买
小计	30,000,000		—	24,060,000			—	—

**(十四)信息披露索引**

事项	刊载的报刊名称及版面	刊载日期	刊载的互联网网站及检索路径
2006 年度业绩预盈的公告	《中国证券报》《证券时报》	2007 年 1 月 31 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
第五届董事会第九次会议决议公告	《中国证券报》《证券时报》	2007 年 3 月 22 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
2007 年第一季度业绩预亏公告	《中国证券报》《证券时报》	2007 年 4 月 7 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
2006 年度业绩预告修正公告	《中国证券报》《证券时报》	2007 年 4 月 7 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
第五届监事会第七次会议决议公告	《中国证券报》《证券时报》	2007 年 4 月 13 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>

## 彩虹显示器件股份有限公司 2007 年年度报告

彩虹股份控股股东及其他关联方占用资金情况专项说明	《中国证券报》《证券时报》	2007 年 4 月 13 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
第五届董事会第十次会议决议公告	《中国证券报》《证券时报》	2007 年 4 月 13 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
2006 年年度报告及其摘要	《中国证券报》《证券时报》	2007 年 4 月 13 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
关于股票停牌的提示性公告	《中国证券报》《证券时报》	2007 年 4 月 18 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
关于对有关媒体相关传闻的澄清公告	《中国证券报》《证券时报》	2007 年 4 月 19 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
2007 年第一季度季报	《中国证券报》《证券时报》	2007 年 4 月 24 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
关于召开第十五次（2006 年度）股东大会的通知公告	《中国证券报》《证券时报》	2007 年 5 月 30 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
第五届董事会第十二次会议决议公告	《中国证券报》《证券时报》	2007 年 5 月 30 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
第五届监事会第九次会议决议公告	《中国证券报》《证券时报》	2007 年 5 月 30 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
股票交易异常波动公告	《中国证券报》《证券时报》	2007 年 6 月 2 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
第十五次（2006 年度）股东大会会议资料	《中国证券报》《证券时报》	2007 年 6 月 19 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
第十五次（2006 年度）股东大会的法律意见书	《中国证券报》《证券时报》	2007 年 6 月 28 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
第十五次（2006 年度）股东大会决议公告	《中国证券报》《证券时报》	2007 年 6 月 28 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
董事会提示性公告	《中国证券报》《证券时报》	2007 年 7 月 11 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
2007 年中期业绩预告公告	《中国证券报》《证券时报》	2007 年 7 月 14 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
有限售条件的流通股上市公告	《中国证券报》《证券时报》	2007 年 7 月 24 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
第五届监事会第十次会议决议公告	《中国证券报》《证券时报》	2007 年 7 月 28 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
第五届董事会第十三次会议决议公告	《中国证券报》《证券时报》	2007 年 7 月 28 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
董事会公告	《中国证券报》《证券时报》	2007 年 7 月 28 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
股权转让暨关联交易公告	《中国证券报》《证券时报》	2007 年 7 月 28 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
重大资产置换暨关联交易报告书（草案）	《中国证券报》《证券时报》	2007 年 7 月 28 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
“加强上市公司治理专项活动”自查报告和整改计划的公告	《中国证券报》《证券时报》	2007 年 8 月 17 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
董事会提名委员会工作细则	《中国证券报》《证券时报》	2007 年 8 月 30 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
独立董事制度	《中国证券报》《证券时报》	2007 年 8 月 30 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
第五届董事会第十四次会议决议公告	《中国证券报》《证券时报》	2007 年 8 月 30 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
2007 年半年度报告及其摘要	《中国证券报》《证券时报》	2007 年 8 月 30 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
2007 年第三季度业绩预亏公告	《中国证券报》《证券时报》	2007 年 10 月 9 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
控股子公司投资的公告	《中国证券报》《证券时报》	2007 年 10 月 9 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
澄清公告	《中国证券报》《证券时报》	2007 年 10 月 20 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
2007 年第三季度季报	《中国证券报》《证券时报》	2007 年 10 月 25 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
公司治理专项活动的整改报告	《中国证券报》《证券时报》	2007 年 11 月 3 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
关于召开 2007 年第一次临时股东大会的通知公告	《中国证券报》《证券时报》	2007 年 11 月 14 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
重大资产置换暨关联交易报告书	《中国证券报》《证券时报》	2007 年 11 月 14 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
关于重大资产重组事项进展的公告	《中国证券报》《证券时报》	2007 年 11 月 14 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
第五届董事会第十七次会议决议公告	《中国证券报》《证券时报》	2007 年 11 月 14 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
2007 年第一次临时股东大会会议资料	《中国证券报》《证券时报》	2007 年 11 月 22 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
2007 年第一次临时股东大会的法律意见书	《中国证券报》《证券时报》	2007 年 11 月 30 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
第五届董事会第十八次会议决议公告	《中国证券报》《证券时报》	2007 年 11 月 30 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
2007 年第一次临时股东大会决议公告	《中国证券报》《证券时报》	2007 年 11 月 30 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>
关于股东减持股份的公告	《中国证券报》《证券时报》	2007 年 12 月 15 日	<a href="http://www.sse.com.cn">http://www.sse.com.cn</a>

**十一、财务会计报告**

公司年度财务报告已经信永中和会计师事务所有限责任公司注册会计师汪洋、张昆 审计，并出具了标准无保留意见的审计报告。

**(一)审计报告****审计报告**

XYZH/2007A4028

**彩虹显示器件股份有限公司全体股东：**

我们审计了后附的彩虹显示器件股份有限公司（以下简称“彩虹公司”）合并及母公司财务报表，包括 2007 年 12 月 31 日的资产负债表，2007 年度的利润表、现金流量表、股东权益变动表及财务报表附注。

**一、管理层对财务报表的责任**

按照企业会计准则的规定编制财务报表是彩虹公司管理层的责任。这种责任包括：（1）设计、实施和维护与财务报表编制相关的内部控制，以使财务报表不存在由于舞弊或错误而导致的重大错报；（2）选择和运用恰当的会计政策；（3）作出合理的会计估计。

**二、注册会计师的责任**

我们的责任是在实施审计工作的基础上对财务报表发表审计意见。我们按照中国注册会计师审计准则的规定执行了审计工作。中国注册会计师审计准则要求我们遵守职业道德规范，计划和实施审计工作以对财务报表是否不存在重大错报获取合理保证。

审计工作涉及实施审计程序，以获取有关财务报表金额和披露的审计证据。选择的审计程序取决于注册会计师的判断，包括对由于舞弊或错误导致的财务报表重大错报风险的评估。在进行风险评估时，我们考虑与财务报表编制相关的内部控制，以设计恰当的审计程序，但目的并非对内部控制的有效性发表意见。审计工作还包括评价管理层选用会计政策的恰当性和作出会计估计的合理性，以及评价财务报表的总体列报。

我们相信，我们获取的审计证据是充分、适当的，为发表审计意见提供了基础。

**三、审计意见**

我们认为，彩虹公司财务报表已经按照企业会计准则的规定编制，在所有重大方面公允反映了彩虹公司 2007 年 12 月 31 日的财务状况以及 2007 年度的经营成果和现金流量。

信永中和会计师事务所

中国注册会计师：汪洋

中国注册会计师：张昆

中国 北京

二〇〇八年四月二十三日

彩虹显示器件股份有限公司 2007 年年度报告

## (二)财务报表

## 合并资产负债表

编制单位：彩虹显示器件股份有限公司

单位：元 币种：人民币

项目	附注	2007 年 12 月 31 日	2006 年 12 月 31 日
<b>流动资产：</b>			
货币资金	八、1	108,433,192.54	125,331,380.96
交易性金融资产			
应收票据	八、2	330,167,927.20	545,985,327.52
应收账款	八、3	334,944,177.76	322,292,001.78
预付款项	八、4	4,925,831.78	159,706.57
应收利息			
应收股利			
其他应收款	八、5	44,499,648.41	555,833.47
买入返售金融资产			
存货	八、6	264,454,203.79	183,667,047.92
一年内到期的非流动资产			
其他流动资产			
流动资产合计		<b>1,087,424,981.48</b>	<b>1,177,991,298.22</b>
<b>非流动资产：</b>			
可供出售金融资产			
持有至到期投资			
长期应收款			
长期股权投资	八、7	24,060,000.00	133,088,164.45
投资性房地产	八、8	4,696,564.26	4,914,972.33
固定资产	八、9	900,177,421.85	786,421,766.38
在建工程	八、10	3,516,591.17	2,005,222.00
工程物资			
固定资产清理			
生产性生物资产			
油气资产			
无形资产	八、11	22,538,690.46	41,589,054.00
开发支出			
商誉			
长期待摊费用	八、12		515,254.42
递延所得税资产	八、13		463,038.86
其他非流动资产			
非流动资产合计		<b>954,989,267.74</b>	<b>968,997,472.44</b>
资产总计		<b>2,042,414,249.22</b>	<b>2,146,988,770.66</b>

彩虹显示器件股份有限公司 2007 年年度报告

<b>流动负债:</b>			
短期借款	八、14	314,000,000.00	300,000,000.00
交易性金融负债			
应付票据			
应付账款	八、15	230,130,037.98	293,165,539.58
预收款项	八、16	12,596,527.47	3,471,388.26
应付手续费及佣金			
应付职工薪酬	八、17	20,464,741.39	40,395,326.21
应交税费	八、18	-8,762,398.78	4,794,555.46
应付利息			
应付股利	八、19	3,438,520.00	3,438,520.00
其他应付款	八、20	37,965,193.80	43,436,674.53
一年内到期的非流动负债			
其他流动负债			
流动负债合计		<b>609,832,621.86</b>	<b>688,702,004.04</b>
<b>非流动负债:</b>			
长期借款			
应付债券			
长期应付款			
专项应付款	八、21		3,000,000.00
预计负债	八、22	3,965,959.39	2,022,167.00
递延所得税负债			
其他非流动负债			
非流动负债合计		<b>3,965,959.39</b>	<b>5,022,167.00</b>
负债合计		<b>613,798,581.25</b>	<b>693,724,171.04</b>
<b>所有者权益（或股东权益）:</b>			
实收资本（或股本）	八、23	421,148,800.00	421,148,800.00
资本公积	八、24	707,339,757.49	636,528,565.67
减：库存股			
盈余公积	八、25	227,022,296.24	227,022,296.24
一般风险准备			
未分配利润	八、26	72,247,713.83	100,782,761.24
外币报表折算差额			
归属于母公司所有者权益合计		1,427,758,567.56	1,385,482,423.15
少数股东权益	八、27	857,100.41	67,782,176.47
所有者权益合计		<b>1,428,615,667.97</b>	<b>1,453,264,599.62</b>
负债和所有者权益总计		<b>2,042,414,249.22</b>	<b>2,146,988,770.66</b>

公司法定代表人:邢道钦

主管会计工作负责人:姜阿合

会计机构负责人:邱东风



彩虹显示器件股份有限公司 2007 年年度报告

## 母公司资产负债表

编制单位：彩虹显示器件股份有限公司

单位：元 币种：人民币

项目	附注	2007 年 12 月 31 日	2006 年 12 月 31 日
<b>流动资产：</b>			
货币资金		93,076,315.91	108,856,557.35
交易性金融资产			
应收票据		330,167,927.20	506,701,780.63
应收账款	九、1	348,852,523.41	304,768,189.35
预付款项		4,925,831.78	15,203.57
应收利息			
应收股利			
其他应收款	九、2	44,499,648.41	508,214.13
存货		264,114,463.84	176,340,299.38
一年内到期的非流动资产			
其他流动资产			
流动资产合计		1,085,636,710.55	1,097,190,244.41
<b>非流动资产：</b>			
可供出售金融资产			
持有至到期投资			
长期应收款			
长期股权投资	九、3	33,060,000.00	211,488,164.41
投资性房地产		4,696,564.26	4,914,972.33
固定资产		891,506,734.04	703,331,461.33
在建工程		3,516,591.17	2,005,222.00
工程物资			
固定资产清理			
生产性生物资产			
油气资产			
无形资产		22,538,690.46	22,118,997.78
开发支出			
商誉			
长期待摊费用			
递延所得税资产			
其他非流动资产			
非流动资产合计		955,318,579.93	943,858,817.85
资产总计		2,040,955,290.48	2,041,049,062.26

彩虹显示器件股份有限公司 2007 年年度报告

<b>流动负债：</b>			
短期借款		314,000,000.00	300,000,000.00
交易性金融负债			
应付票据			
应付账款		230,044,176.35	282,880,063.40
预收款项		12,596,527.47	499,366.96
应付职工薪酬		20,327,555.51	36,752,083.77
应交税费		-8,764,981.78	2,961,270.71
应付利息			
应付股利		3,438,520.00	3,438,520.00
其他应付款		36,633,257.59	32,298,056.62
一年内到期的非流动负债			
其他流动负债			
流动负债合计		608,275,055.14	658,829,361.46
<b>非流动负债：</b>			
长期借款			
应付债券			
长期应付款			
专项应付款			3,000,000.00
预计负债		3,965,959.39	2,022,167.00
递延所得税负债			
其他非流动负债			
非流动负债合计		3,965,959.39	5,022,167.00
负债合计		612,241,014.53	663,851,528.46
<b>所有者权益（或股东权益）：</b>			
实收资本（或股本）		421,148,800.00	421,148,800.00
资本公积		707,339,757.49	636,528,565.67
减：库存股			
盈余公积		227,022,296.24	227,022,296.24
未分配利润		73,203,422.22	92,497,871.89
所有者权益（或股东权益）合计		1,428,714,275.95	1,377,197,533.80
负债和所有者权益（或股东权益）总计		2,040,955,290.48	2,041,049,062.26

公司法定代表人：邢道钦

主管会计工作负责人：姜阿合

会计机构负责人：邱东风

彩虹显示器件股份有限公司 2007 年年度报告

## 合并利润表

编制单位：彩虹显示器件股份有限公司

单位：元 币种：人民币

项目	附注	2007 年度	2006 年度
一、营业总收入	八、28	1,705,696,095.72	2,067,039,893.50
其中：营业收入		1,705,696,095.72	2,067,039,893.50
二、营业总成本		1,760,035,875.07	1,995,027,410.52
其中：营业成本	八、28	1,615,891,926.49	1,857,252,137.83
营业税金及附加	八、29	2,232,631.05	4,043,460.16
销售费用		75,909,007.24	77,592,062.51
管理费用		36,753,935.60	43,884,420.65
财务费用	八、30	19,948,968.22	18,749,015.89
资产减值损失	八、31	9,299,406.47	-6,493,686.52
加：公允价值变动收益（损失以“－”号填列）			
投资收益（损失以“－”号填列）	八、32	25,391,128.86	-56,592,679.80
其中：对联营企业和合营企业的投资收益			
三、营业利润（亏损以“－”号填列）		-28,948,650.49	15,419,803.18
加：营业外收入	八、33	3,114,184.20	987,574.37
减：营业外支出	八、34	1,367,368.50	332,042.19
其中：非流动资产处置损失		29,178.81	329,333.59
四、利润总额（亏损总额以“－”号填列）		-27,201,834.79	16,075,335.36
减：所得税费用	八、35	284,285.63	1,650,823.84
五、净利润（净亏损以“－”号填列）		-27,486,120.42	14,424,511.52
归属于母公司所有者的净利润		-28,433,627.98	15,453,679.24
少数股东损益		947,507.56	-1,029,167.72
六、每股收益：			
（一）基本每股收益		-0.07	0.04
（二）稀释每股收益		-0.07	0.04

公司法定代表人：邢道钦

主管会计工作负责人：姜阿合

会计机构负责人：邱东风

## 母公司利润表

编制单位：彩虹显示器件股份有限公司

单位：元 币种：人民币

项目	附注	2007 年度	2006 年度
一、营业收入	九、4	1,640,122,974.97	1,890,472,736.85
减：营业成本	九、4	1,566,700,985.18	1,709,042,861.37
营业税金及附加		2,040,849.53	2,775,775.86
销售费用		70,330,182.45	64,967,829.17
管理费用		32,828,105.12	22,449,425.27
财务费用		20,814,901.22	22,203,037.29
资产减值损失		6,662,090.57	-5,701,635.82
加：公允价值变动收益（损失以“－”号填列）			
投资收益（损失以“－”号填列）	九、5	37,924,147.56	-56,479,209.89
其中：对联营企业和合营企业的投资收益			
二、营业利润（亏损以“－”号填列）		-21,329,991.54	18,256,233.82
加：营业外收入		3,114,184.20	621,534.85
减：营业外支出		1,078,642.33	329,450.59
其中：非流动资产处置净损失		29,178.81	329,333.59
三、利润总额（亏损总额以“－”号填列）		-19,294,449.67	18,548,318.08
减：所得税费用			
四、净利润（净亏损以“－”号填列）		-19,294,449.67	18,548,318.08

公司法定代表人：邢道钦

主管会计工作负责人：姜阿合

会计机构负责人：邱东风

彩虹显示器件股份有限公司 2007 年年度报告

## 合并现金流量表

编制单位：彩虹显示器件股份有限公司

单位：元 币种：人民币

项目	附注	2007 年度	2006 年度
<b>一、经营活动产生的现金流量：</b>			
销售商品、提供劳务收到的现金		1,084,983,797.38	1,229,650,428.21
收到的税费返还		13,906,857.38	23,594,975.00
收到其他与经营活动有关的现金	八、36	1,813,858.16	1,426,972.00
经营活动现金流入小计		1,100,704,512.92	1,254,672,375.21
购买商品、接受劳务支付的现金		868,501,307.11	984,196,717.00
支付给职工以及为职工支付的现金		138,804,230.22	146,506,530.00
支付的各项税费		39,646,496.64	55,885,792.00
支付其他与经营活动有关的现金	八、36	20,199,766.44	28,724,005.00
经营活动现金流出小计		1,067,151,800.41	1,215,313,044.00
经营活动产生的现金流量净额		<b>33,552,712.51</b>	<b>39,359,331.21</b>
<b>二、投资活动产生的现金流量：</b>			
收回投资收到的现金			
取得投资收益收到的现金		565,873.23	1,692,177.00
处置固定资产、无形资产和其他长期资产收回的现金净额			540,466.00
处置子公司及其他营业单位收到的现金净额		-11,913,089.40	
收到其他与投资活动有关的现金	八、36	1,016,853.16	
投资活动现金流入小计		-10,330,363.01	2,232,643.00
购建固定资产、无形资产和其他长期资产支付的现金		15,950,090.37	4,493,218.00
投资支付的现金			
质押贷款净增加额			
取得子公司及其他营业单位支付的现金净额			
支付其他与投资活动有关的现金			
投资活动现金流出小计		15,950,090.37	4,493,218.00
投资活动产生的现金流量净额		<b>-26,280,453.38</b>	<b>-2,260,575.00</b>
<b>三、筹资活动产生的现金流量：</b>			
吸收投资收到的现金			
其中：子公司吸收少数股东投资收到的现金			
取得借款收到的现金		338,000,000.00	300,000,000.00
发行债券收到的现金			
收到其他与筹资活动有关的现金			
筹资活动现金流入小计		338,000,000.00	300,000,000.00
偿还债务支付的现金		344,000,000.00	380,000,000.00
分配股利、利润或偿付利息支付的现金		16,979,452.50	21,219,707.00
其中：子公司支付给少数股东的股利、利润			
支付其他与筹资活动有关的现金			1,704,578.00
筹资活动现金流出小计		360,979,452.50	402,924,285.00
筹资活动产生的现金流量净额		<b>-22,979,452.50</b>	<b>-102,924,285.00</b>
<b>四、汇率变动对现金及现金等价物的影响</b>		<b>-1,190,995.05</b>	
<b>五、现金及现金等价物净增加额</b>		<b>-16,898,188.42</b>	<b>-65,825,528.79</b>
加：期初现金及现金等价物余额		125,331,380.96	191,156,909.75
<b>六、期末现金及现金等价物余额</b>	八、36	108,433,192.54	125,331,380.96

公司法定代表人：邢道钦

主管会计工作负责人：姜阿合

会计机构负责人：邱东风

彩虹显示器件股份有限公司 2007 年年度报告

## 母公司现金流量表

编制单位：彩虹显示器件股份有限公司

单位：元 币种：人民币

项目	附注	2007 年度	2006 年度
<b>一、经营活动产生的现金流量：</b>			
销售商品、提供劳务收到的现金		927,098,938.48	1,088,624,475.49
收到的税费返还		13,906,857.38	23,594,975.00
收到其他与经营活动有关的现金		2,098,458.85	1,071,154.00
经营活动现金流入小计		943,104,254.71	1,113,290,604.49
购买商品、接受劳务支付的现金		758,152,826.49	909,411,626.00
支付给职工以及为职工支付的现金		119,731,590.28	107,347,670.00
支付的各项税费		37,458,226.66	38,066,402.00
支付其他与经营活动有关的现金		13,920,543.95	20,907,402.00
经营活动现金流出小计		929,263,187.38	1,075,733,100.00
经营活动产生的现金流量净额		<b>13,841,067.33</b>	<b>37,557,504.49</b>
<b>二、投资活动产生的现金流量：</b>			
收回投资收到的现金			
取得投资收益收到的现金		565,873.23	1,486,333.00
处置固定资产、无形资产和其他长期资产收回的现金净额			521,000.00
处置子公司及其他营业单位收到的现金净额			
收到其他与投资活动有关的现金		868,656.40	
投资活动现金流入小计		1,434,529.63	2,007,333.00
购建固定资产、无形资产和其他长期资产支付的现金		6,915,264.45	4,323,494.00
投资支付的现金			
取得子公司及其他营业单位支付的现金净额			
支付其他与投资活动有关的现金			
投资活动现金流出小计		6,915,264.45	4,323,494.00
投资活动产生的现金流量净额		<b>-5,480,734.82</b>	<b>-2,316,161.00</b>
<b>三、筹资活动产生的现金流量：</b>			
吸收投资收到的现金			
取得借款收到的现金		338,000,000.00	300,000,000.00
收到其他与筹资活动有关的现金			
筹资活动现金流入小计		338,000,000.00	300,000,000.00
偿还债务支付的现金		344,000,000.00	380,000,000.00
分配股利、利润或偿付利息支付的现金		16,979,452.50	21,219,707.00
支付其他与筹资活动有关的现金			208,051.00
筹资活动现金流出小计		360,979,452.50	401,427,758.00
筹资活动产生的现金流量净额		<b>-22,979,452.50</b>	<b>-101,427,758.00</b>
<b>四、汇率变动对现金及现金等价物的影响</b>		<b>-1,161,121.45</b>	
<b>五、现金及现金等价物净增加额</b>		<b>-15,780,241.44</b>	<b>-66,186,414.51</b>
加：期初现金及现金等价物余额		108,856,557.35	175,042,971.86
<b>六、期末现金及现金等价物余额</b>		<b>93,076,315.91</b>	<b>108,856,557.35</b>

公司法定代表人：邢道钦

主管会计工作负责人：姜阿合

会计机构负责人：邱东风

彩虹显示器件股份有限公司 2007 年年度报告

### 合并所有者权益变动表

2007 年 1-12 月

编制单位: 彩虹显示器件股份有限公司

单位: 元 币种: 人民币

项目	本期金额								少数股东权益	所有者权益合计
	归属于母公司所有者权益									
	实收资本 (或股本)	资本公积	减：库 存股	盈余公积	一般 风险 准备	未分配利润	其他			
一、上年年末余额	421,148,800.00	636,528,565.67		227,022,296.24		100,782,761.24		67,782,176.47	1,453,264,599.62	
加：会计政策变更										
前期差错更正										
二、本年初余额	421,148,800.00	636,528,565.67		227,022,296.24		100,782,761.24		67,782,176.47	1,453,264,599.62	
三、本年增减变动金额 (减少以“-”号填列)		70,811,191.82				-28,535,047.41		-66,925,076.06	-24,648,931.65	
（一）净利润						-28,433,627.98		947,507.56	-27,486,120.42	
（二）直接计入所有者 权益的利得和损失		70,811,191.82				-101,419.43		-96,324.31	70,613,448.08	
1. 可供出售金融资产 公允价值变动净额										
2. 权益法下被投资单 位其他所有者权益变 动的影响										
3. 与计入所有者权益 项目相关的所得税影 响										
4. 其他		70,811,191.82				-101,419.43		-96,324.31	70,613,448.08	
上述（一）和（二）小 计		70,811,191.82				-28,535,047.41		851,183.25	43,127,327.66	
（三）所有者投入和减 少资本								-67,776,259.31	-67,776,259.31	
1. 所有者投入资本										
2. 股份支付计入所有 者权益的金额										
3. 其他								-67,776,259.31	-67,776,259.31	
（四）利润分配										
1. 提取盈余公积										
2. 提取一般风险准备										
3. 对所有者（或股东） 的分配										
4. 其他										
（五）所有者权益内部 结转										
1. 资本公积转增资本 （或股本）										
2. 盈余公积转增资本 （或股本）										
3. 盈余公积弥补亏损										
4. 其他										
四、本期期末余额	421,148,800.00	707,339,757.49		227,022,296.24		72,247,713.83		857,100.41	1,428,615,667.97	



彩虹显示器件股份有限公司 2007 年年度报告

单位:元 币种:人民币

项目	上年同期金额								
	归属于母公司所有者权益							少数股东权益	所有者权益合计
	实收资本 (或股本)	资本公积	减：库 存股	盈余公积	一般 风险 准备	未分配利润	其他		
一、上年年末余额	421,148,800.00	639,701,910.51		226,408,821.32		85,811,132.70		68,703,815.58	1,441,774,480.11
加：会计政策变更				-1,241,356.89		1,372,781.11		107,528.61	238,952.83
前期差错更正									
二、本年初余额	421,148,800.00	639,701,910.51		225,167,464.43		87,183,913.81		68,811,344.19	1,442,013,432.94
三、本年增减变动金额 (减少以“-”号填列)		-3,173,344.84		1,854,831.81		13,598,847.43		-1,029,167.72	11,251,166.68
(一) 净利润						15,453,679.24		-1,029,167.72	14,424,511.52
(二) 直接计入所有者 权益的利得和损失		-3,173,344.84							-3,173,344.84
1. 可供出售金融资产 公允价值变动净额									
2. 权益法下被投资单 位其他所有者权益变 动的影响									
3. 与计入所有者权益 项目相关的所得税影 响									
4. 其他		-3,173,344.84							-3,173,344.84
上述(一)和(二)小 计		-3,173,344.84				15,453,679.24		-1,029,167.72	11,251,166.68
(三) 所有者投入和减 少资本									
1. 所有者投入资本									
2. 股份支付计入所有 者权益的金额									
3. 其他									
(四) 利润分配				1,854,831.81		-1,854,831.81			
1. 提取盈余公积				1,854,831.81		-1,854,831.81			
2. 提取一般风险准备									
3. 对所有者(或股东) 的分配									
4. 其他									
(五) 所有者权益内部 结转									
1. 资本公积转增资本 (或股本)									
2. 盈余公积转增资本 (或股本)									
3. 盈余公积弥补亏损									
4. 其他									
四、本期期末余额	421,148,800.00	636,528,565.67		227,022,296.24		100,782,761.24		67,782,176.47	1,453,264,599.62

公司法定代表人: 邢道钦

主管会计工作负责人: 姜阿合

会计机构负责人: 邱东风

彩虹显示器件股份有限公司 2007 年年度报告

## 母公司所有者权益变动表

2007 年 1-12 月

编制单位: 彩虹显示器件股份有限公司

单位:元 币种:人民币

项目	本期金额					
	实收资本 (或股本)	资本公积	减: 库 存股	盈余公积	未分配利润	所有者权益合计
一、上年年末余额	421,148,800.00	636,528,565.67		227,022,296.24	92,497,871.89	1,377,197,533.80
加: 会计政策变更						
前期差错更正						
二、本年初余额	421,148,800.00	636,528,565.67		227,022,296.24	92,497,871.89	1,377,197,533.80
三、本年增减变动金 额(减少以“-”号填 列)		70,811,191.82			-19,294,449.67	51,516,742.15
(一) 净利润					-19,294,449.67	-19,294,449.67
(二) 直接计入所有 者权益的利得和损 失		70,811,191.82				70,811,191.82
1. 可供出售金融资 产公允价值变动净 额						
2. 权益法下被投资 单位其他所有者权 益变动的影响						
3. 与计入所有者权 益项目相关的所得 税影响						
4. 其他		70,811,191.82				70,811,191.82
上述(一)和(二) 小计		70,811,191.82			-19,294,449.67	51,516,742.15
(三) 所有者投入和 减少资本						
1. 所有者投入资本						
2. 股份支付计入所 有者权益的金额						
3. 其他						
(四) 利润分配						
1. 提取盈余公积						
2. 对所有者(或股 东)的分配						
3. 其他						
(五) 所有者权益内 部结转						
1. 资本公积转增资 本(或股本)						
2. 盈余公积转增资 本(或股本)						
3. 盈余公积弥补亏 损						
4. 其他						
四、本期期末余额	421,148,800.00	707,339,757.49		227,022,296.24	73,203,422.22	1,428,714,275.95

彩虹显示器件股份有限公司 2007 年年度报告

单位:元 币种:人民币

项目	上年同期金额					
	实收资本 (或股本)	资本公积	减: 库 存股	盈余公积	未分配利润	所有者权益合计
一、上年年末余额	421,148,800.00	639,701,910.51		226,408,821.32	86,515,893.48	1,373,775,425.31
加: 会计政策变更				-1,241,356.89	-10,711,507.86	-11,952,864.75
前期差错更正						
二、本年初余额	421,148,800.00	639,701,910.51		225,167,464.43	75,804,385.62	1,361,822,560.56
三、本年增减变动金 额(减少以“-”号填 列)		-3,173,344.84		1,854,831.81	16,693,486.27	15,374,973.24
(一) 净利润					18,548,318.08	18,548,318.08
(二) 直接计入所有 者权益的利得和损 失		-3,173,344.84				-3,173,344.84
1. 可供出售金融资 产公允价值变动净 额						
2. 权益法下被投资 单位其他所有者权 益变动的影响						
3. 与计入所有者权 益项目相关的所得 税影响						
4. 其他		-3,173,344.84				-3,173,344.84
上述(一)和(二) 小计		-3,173,344.84			18,548,318.08	15,374,973.24
(三) 所有者投入和 减少资本						
1. 所有者投入资本						
2. 股份支付计入所 有者权益的金额						
3. 其他						
(四) 利润分配				1,854,831.81	-1,854,831.81	
1. 提取盈余公积				1,854,831.81	-1,854,831.81	
2. 对所有者(或股 东)的分配						
3. 其他						
(五) 所有者权益内 部结转						
1. 资本公积转增资 本(或股本)						
2. 盈余公积转增资 本(或股本)						
3. 盈余公积弥补亏 损						
4. 其他						
四、本期期末余额	421,148,800.00	636,528,565.67		227,022,296.24	92,497,871.89	1,377,197,533.80

公司法定代表人: 邢道钦

主管会计工作负责人: 姜阿合

会计机构负责人: 邱东风

## 一、公司的基本情况

彩虹显示器件股份有限公司（以下简称“本公司”）是经陕西省经济体制改革委员会陕改发〔1992〕34号文批准，由彩虹集团公司（以下简称“彩虹集团”）、原中国工商银行陕西省信托投资公司、原中国建设银行陕西省信托投资公司三方共同发起，以募集方式设立的股份有限公司。本公司于1992年7月29日向陕西省工商行政管理局申请工商注册登记，营业执照注册号为610000100063235，本公司现注册资本为人民币421,148,800元，法定代表人为邢道钦先生，税务登记号码：610198220533028。

本公司股票经相关政府部门批准于1996年5月20日在上海证券交易所挂牌交易。1997年7月经中国证监会批准同意，原中国工商银行陕西省信托投资公司、原中国建设银行陕西省信托投资公司、原中国银行陕西省信托投资公司分别将其持有的彩虹股份共计12,288万股股份转让给彩虹集团。2004年10月经国务院国有资产监督管理委员会批复，彩虹集团将其持有本公司的股份全部转让给彩虹集团独家发起设立的彩虹集团电子股份有限公司（以下简称“彩虹电子”），彩虹电子成为本公司的控股股东，彩虹集团成为本公司最终控股公司。

本公司于2006年7月27日实施了股权分置，全体非流通股股东以其持有的股票按其持股比例向流通股股东每10股送4.2股，总计对价股份为60,330,816股；实施股权分置后公司注册资本仍为人民币421,148,800元，彩虹电子持有本公司180,675,565股股份，占注册资本42.90%。2007年西安飞机工业（集团）有限责任公司等9家有限售条件的流通股股东分别与彩虹电子签订了《关于偿付股权分置改革对价的协议》，向彩虹电子偿还了代垫股份合计1,791,419股股份，并已办理完成股权过户手续；另2007年彩虹电子出售本公司8,277,440股股份，至2007年末，彩虹电子持有本公司174,189,544股股份，占注册资本41.36%。

本公司经营范围：主要从事彩色显示器件、电子产品及零部件、原材料的生产、开发与经营，自营和代理各类商品及技术的进出口业务、承办“三来一补”业务（国家限制或禁止进出口的商品和技术除外）及实物租赁等。

## 二、财务报表的编制基础

本财务报表以本公司持续经营为基础编制。

本公司原按照2006年以前颁布的企业会计准则和《企业会计制度》（以下合称“原会计准则和制度”）编制财务报表。自2007年1月1日起，本公司开始执行财政部于2006年颁布的企业会计准则（以下简称“企业会计准则”）。2007年度财务报表为本公司首份按照企业会计准则编制的年度财务报表。

在编制2007年度财务报表时，2006年度的相关比较数字已按照财政部《企业会计准则第38号-首次执行企业会计准则》及相关规定、中国证监会《公开发行证券的公司信息披露规范问答第7号-新旧会计准则过渡期间比较财务会计信息的编制和披露》的要求进行追溯调整，所有项目已按照企业会计准则重新列报。

### 三、遵循企业会计准则的声明

本公司编制的财务报表符合企业会计准则的要求，真实完整地反映了本公司的财务状况、经营成果和现金流量等有关信息。

### 四、重大会计政策、会计估计变更和重大会计差错更正

#### 1. 重大会计政策、会计估计变更的影响

本公司原执行 2006 年以前颁布的原企业会计准则和制度，从 2007 年 1 月 1 日执行企业会计准则，并自该日起按照新企业会计准则的规定确认、计量和报告本公司的交易或事项。对于因首次执行新企业会计准则而发生的会计政策变更，本公司采用下述方法进行处理。

#### ● 采用追溯调整法核算的重大会计政策变更

(1) 长期股权投资：执行新企业会计准则之前，长期股权投资采用权益法核算时，初始投资成本大于应享有被投资单位所有者权益份额的差额作为股权投资借方差额核算，并按一定期限平均摊销计入损益。初始投资成本低于应享有被投资单位所有者权益份额的差额，在财会[2003]10 号文发布之前产生的作为股权投资贷方差额核算，并按一定期限平均摊销计入损益；在财会[2003]10 号文发布之后产生的，计入资本公积。

执行新企业会计准则之前，母公司报表中以权益法核算对子公司的长期股权投资。执行新会计准则后，有关长期股权投资的会计政策详见附注五.9 中的“长期股权投资”。于首次执行日，对母公司报表中的对子公司长期股权投资予以追溯调整，视同该子公司自最初即采用成本法核算。

(2) 股权分置：执行新企业会计准则之前，单设“股权分置流通权”科目核算在股权分置改革中为取得流通权而支付的对价，平时不进行结转，也不计提减值准备。执行新企业会计准则后，在股权分置改革中形成的股权分置流通权的余额及相关的权益性投资，按照附注五.9 中的“长期股权投资”所述的会计政策划分为长期股权投资。

(3) 所得税：执行新企业会计准则之前，所得税的会计处理方法采用应付税款法。执行新企业会计准则后，本集团采用资产负债表债务法进行所得税会计处理，有关所得税的会计政策详见附注五.24 中的“所得税”。

(4) 商誉：执行新企业会计准则之前，企业合并形成的商誉按照一定期限平均摊销。执行新企业会计准则后，属于同一控制下企业合并产生的商誉于首次执行日的摊余价值全额冲销，调整留存收益；属于非同一控制下企业合并产生的商誉于首次执行日的摊余价值作为认定成本，不再进行摊销。有关企业合并的会计政策详见附注五.25 中的“企业合并”。

(5) 与收益相关的政府补助：在执行新企业会计准则之前，与收益相关的政府补助在实际收到时计入补贴收入。执行新企业会计准则之后，上述与收益相关的政府补助在能够满足所附条件并且能够收到时予以确认。

对于上述会计政策变更，本公司按照《企业会计准则第 38 号——首次执行企业会计准则》及其相关规定，进行了追溯调整，并对财务报表重新进行了表述。上述会计政策变更对 2006 年 1 月 1 日和 2006 年 12 月 31 日的合并及母公司的股东权益及 2006 年度净利润的影响列示如下：

## 1) 对 2006 年 1 月 1 日合并股东权益的影响

项目	未分配利润	盈余公积	资本公积	少数股东权益	合计
(1) 长期股权投资由权益法改为成本法	1,241,357	-1,241,357	0.00	0.00	0.00
(2) 少数股东权益作为股东权益列报	0.00	0.00	0.00	68,703,815	68,703,815
(3) 所得税	131,424	0.00	0.00	107,529	238,953
合计	1,372,781	-1,241,357	0.00	68,811,344	68,942,768

## 2) 对 2006 年度合并净利润的影响

项目	金额
(1) 所得税	224,086
(2) 内退人员辞退福利（含合并范围内子公司）	-5,460,549
(3) 少数股东损益作为净利润项目列报（不含辞退福利部分）	-101,324
合计	-5,337,787

## 3) 对 2006 年 12 月 31 日合并股东权益的影响

项目	未分配利润	盈余公积	资本公积	少数股东权益	合计
(1) 长期股权投资由权益法改为成本法	1,241,357	-1,241,357	0.00	0.00	0.00
(2) 内退人员辞退福利	-4,586,170	0.00	0.00	-874,380	-5,460,550
(3) 少数股东损益作为股东权益列报	0.00	0.00	0.00	68,602,492	68,602,492
(4) 盈余公积的转回	334,469	-334,469	0.00	0.00	0.00
(5) 所得税	408,975	0.00	0.00	54,064	463,039
合计	-2,601,369	-1,575,826	0.00	67,782,176	63,604,981

## 4) 对 2006 年 1 月 1 日母公司股东权益的影响

项目	未分配利润	盈余公积	资本公积	合计
长期股权投资由权益法改为成本法	-10,711,508	-1,241,357	0.00	-11,952,865

## 5) 对 2006 年度母公司净利润的影响

项目	金额
(1) 内退人员辞退福利	-3,174,589
(2) 投资收益	-170,102
合计	-3,344,691



## 6) 对 2006 年 12 月 31 日母公司股东权益的影响

项目	未分配利润	盈余公积	资本公积	合计
(1) 盈余公积的转回	334,469	-334,469	0.00	0.00
(2) 内退人员辞退福利	-3,174,589			-3,174,589
(3) 长期股权投资由权益法改为成本法	-10,881,610	-1,241,357	0.00	-12,122,967
合计	-13,721,730	-1,575,826	0.00	-15,297,556

## ● 采用未来适用法核算的重大会计政策变更

除上述采用追溯调整法核算的重大会计政策变更以外，本公司因首次执行新企业会计准则还发生了下述主要会计政策变更，并采用未来适用法进行会计处理。具体包括：

(1) 借款费用资本化：在执行新企业会计准则前，本公司仅将用于固定资产的专门借款的累计资产支出加权平均数，按所占用专门借款加权平均利率计算确定的借款利息进行资本化。在执行新企业会计准则后，本公司按照本附注五.13 所述会计政策，对借款费用进行资本化。

(2) 研发费用资本化：在执行新企业会计准则前，本公司研究开发费用全部费用化计入当期损益。在执行新企业会计准则之后，本公司按照本附注五.15 所述会计政策，对于符合规定条件的开发支出，可以资本化确认为无形资产。

(3) 非流动资产减值：在执行新企业会计准则之前，本公司前期已确认的非流动资产的减值损失如果在以后会计期间恢复的，按照恢复的金额，在不超过已确认减值损失金额的范围内，予以转回，计入当期损益。在执行新企业会计准则之后，本公司按照本附注五.16 所述会计政策，对非流动资产计提减值准备，非流动资产的减值损失一经确认，除资产处置、出售、对外投资等情况外，在以后会计期间不得转回。

(4) 职工福利费：执行新企业会计准则之前，本公司按照工资总额的 14% 计提职工福利费，并计入当期损益。在执行新企业会计准则后，本公司不再按照工资总额的 14% 计提职工福利费，本公司根据实际情况和职工福利计划确认应付职工薪酬(职工福利)，并计入当期损益。首次执行日后的第一个会计期间，将根据新企业会计准则确认的应付职工薪酬(职工福利)与原转入的职工薪酬(职工福利)之间的差额计入当期损益。

(5) 与资产相关的政府补助：执行新企业会计准则前，本公司收到的与资产相关的政府补助作为专项应付款核算，并在有关拨款项目完成后，对于形成固定资产或产品并按规定留给本公司的，将有关专项应付款计入资本公积；对未形成资产需要核销的拨款以及形成资产按规定上交国家的，经批准后将专项应付款与有关资产科目冲销。执行新企业会计准则后，本公司按照本附注五.22 所述的会计政策核算与资产相关的政府补助。

## 2. 重大会计差错的更正和影响

本公司本年度无重大会计差错的更正和影响事项。

## 五、重要会计政策、会计估计和合并财务报表的编制方法

### 1. 会计期间

本公司的会计期间为公历 1 月 1 日至 12 月 31 日。

### 2. 记账本位币

本公司以人民币为记账本位币。

### 3. 记账基础和计价原则

本公司会计核算以权责发生制为记账基础，除交易性金融资产、可供出售金融资产以公允价值计量外，均以历史成本为计价原则。

### 4. 现金及现金等价物

本公司现金流量表之现金指库存现金以及可以随时用于支付的存款。现金流量表之现金等价物指持有期限短（一般是指从购买日起三个月内到期）、流动性强、易于转换为已知金额现金、价值变动风险很小的投资。

### 5. 外币折算

#### （1）外币交易

本公司的外币交易按业务发生当日中国人民银行公布的市场汇价折算成人民币记账，资产负债表日外币货币性资产和负债按当日中国人民银行公布的市场汇价折算。由此产生的汇兑损益，与购建固定资产有关且在其达到预定使用状态前的，计入有关固定资产的购建成本；与购建固定资产无关的属于筹建期间的计入长期待摊费用；属于生产经营期间的计入当期财务费用。以公允价值计量的外币非货币性项目，采用公允价值确定日的即期汇率折算为人民币，所产生的折算差额，作为公允价值变动直接计入当期损益。

#### （2）外币财务报表的折算

境外经营的资产负债表中的资产和负债项目，采用资产负债表日的即期汇率折算，股东权益项目除未分配利润项目外，其他项目采用发生时的即期汇率折算。境外经营的利润表中的收入与费用项目，采用交易发生日的即期汇率折算。上述折算产生的外币报表折算差额，在股东权益项目下单独列示。实质上构成对境外经营净投资的外币货币性项目，因汇率变动而产生的汇兑差额，在编制合并财务报表时，也作为外币报表折算差额在股东权益项目下单独列示。处置境外经营时，与该境外经营有关的外币报表折算差额，按比例转入处置当期损益。

外币现金流量以及境外子公司的现金流量采用现金流量发生日的即期汇率折算。汇率变动对现金的影响额，在现金流量表中单独列示。

### 6. 金融资产

（1）金融资产的分类：本公司按投资目的和经济实质对拥有的金融资产分为以公允价值计量且其变动计入当期损益的金融资产、持有至到期投资、应收款项和可供出售金融资产四大类。

1) 以公允价值计量且其变动计入当期损益的金融资产：持有的主要目的是短期内出售的金融资产为以公允价值计量且其变动计入当期损益的金融资产，在资产负债表中以交易性金融资产列示。

2) 持有至到期投资：是指到期日固定、回收金额固定或可确定，且管理层有明确意图和能力持有至到期的非衍生金融资产。

3) 应收款项是指在活跃市场中没有报价，回收金额固定或可确定的非衍生金融资产，包括应收票据、应收账款、应收利息、应收股利及其他应收款等。

4) 可供出售金融资产包括初始确认时即被指定为可供出售的非衍生金融资产及未被划分为其他类的金融资产。

#### (2) 金融资产的确认和计量：

金融资产以公允价值进行初始确认。以公允价值计量且其变动计入当期损益的金融资产，取得时发生的相关交易费用直接计入当期损益。其他金融资产的相关交易费用计入初始确认金额。当某项金融资产收取现金流量的合同权利已终止或与该金融资产所有权上几乎所有的风险和报酬已转移至转入方的，终止确认该金融资产。

以公允价值计量且其变动计入当期损益的金融资产和可供出售金融资产按照公允价值进行后续计量；但在活跃市场中没有报价且其公允价值不能可靠计量的权益工具投资，按照成本计量；应收款项以及持有至到期投资采用实际利率法，以摊余成本列示。

以公允价值计量且其变动计入当期损益的金融资产的公允价值变动计入公允价值变动损益；在资产持有期间所取得的利息或现金股利，确认为投资收益；处置时，其公允价值与初始入账金额之间的差额确认为投资损益，同时调整公允价值变动损益。

可供出售金融资产的公允价值变动计入股东权益；持有期间按实际利率法计算的利息，计入投资收益；可供出售权益工具投资的现金股利，于被投资单位宣告发放股利时计入投资收益；处置时，取得的价款与账面价值扣除原直接计入股东权益的公允价值变动累计额之后的差额，计入投资损益。

#### (3) 金融资产减值：

除以公允价值计量且其变动计入当期损益的金融资产外，本公司于资产负债表日对金融资产的账面价值进行检查，如果有客观证据表明某项金融资产发生减值的，计提减值准备。如果可供出售金融资产的公允价值发生较大幅度或非暂时性下降，原直接计入股东权益的因公允价值下降形成的累计损失计入减值损失。对已确认减值损失的可供出售债务工具投资，在期后公允价值上升且客观上与确认原减值损失确认后发生的事项有关的，原确认的减值损失予以转回，计入当期损益。对已确认减值损失的可供出售权益工具投资，在期后公允价值上升且客观上与确认原减值损失确认后发生的事项有关的，原确认的减值损失予以转回，计入股东权益。在活跃市场中没有报价且其公允价值不能可靠计量的权益工具投资发生的减值损失，不予转回。

### 7. 应收款项

应收款项包括应收账款、其他应收款等。本公司对外销售商品或提供劳务形成的应收款项，按从购货方应收的合同或协议价款的公允价值作为初始确认金额。应收款项采用实际利率法，以摊余成本减坏账准备列示。

对于本公司单项金额超过 100 万元的应收款项视为重大应收款项，当存在客观证据表明本公司将无法按应收款项的原有条款收回所有款项时，根据其未来现金流量现值低于其账面价值的差额，单独进行减值测试，计提坏账准备。

对于单项金额非重大的应收款项，与经单独测试后未减值的应收款项一起按信用风险特征划分为若干组合，根据以前年度与之相同或相类似的、具有类似信用风险特征的应收账款组合的实际损失率为基础，结合现时情况确定本年度各项组合计提坏账准备的比例，据此计算本年度应计提的坏账准备。

应收款项坏账准备计提比例如下：

账龄	计提比例
6 个月以内	0.00%
6 个月—1 年	1.00%
1 年—2 年	5.00%
2 年—3 年	10.00%
3 年—4 年	30.00%
4 年—5 年	50.00%
5 年以上	100.00%

#### 8. 存货

(1) 存货的分类：存货分为原材料、在产品、库存商品、低值易耗品等。

(2) 存货取得和发出的计价方法：存货实行永续盘存制，购入和入库按实际成本计价，领用和销售原材料以及销售产成品采用加权平均法核算。

(3) 低值易耗品和包装物采用一次转销法进行摊销，计入相关成本费用。

(4) 期末存货计价原则及存货跌价准备确认标准和计提方法：期末存货按成本与可变现净值孰低原则计价；期末，在对存货进行全面盘点的基础上，对于存货因遭受毁损、全部或部分陈旧过时或销售价格低于成本等原因，预计其成本不可收回的部分，提取存货跌价准备。产成品及大宗原材料的存货跌价准备按单个存货项目的成本高于其可变现净值的差额提取；其他数量繁多、单价较低的原辅材料按类别提取存货跌价准备。

(5) 产成品、在产品和用于出售的材料等直接用于出售的商品存货，其可变现净值按该存货的估计售价减去估计的销售费用和相关税费后的金额确定；用于生产而持有的材料存货，其可变现净值按所生产的产成品的估计售价减去至完工时估计将要发生的成本、估计的销售费用和相关税费后的金额确定；为执行销售合同或者劳务合同而持有的存货，其可变现净值以合同价格为基础计算；企业持有存货的数量多于销售合同订购数量的，超出部分的存货可变现净值以一般销售价格为基础计算。

## 9. 长期股权投资

### (1) 长期股权投资的计价

通过同一控制下的企业合并取得的长期股权投资，在合并日按照取得被合并方所有者权益账面价值的份额作为长期股权投资的初始投资成本。通过非同一控制下的企业合并取得的长期股权投资，以在合并（购买）日为取得对被合并（购买）方的控制权而付出的资产、发生或承担的负债以及发行的权益性证券的公允价值作为合并成本。在合并（购买）日按照合并成本作为长期股权投资的初始投资成本。

除上述通过企业合并取得的长期股权投资外，长期股权投资通过支付的现金、付出的非货币性资产或发行的权益性证券的方式取得的，以其公允价值作为长期股权投资的初始投资成本；长期股权投资通过债务重组方式取得的，以债权转为股权所享有股份的公允价值确认为对债务人的初始投资成本；长期股权投资是投资者投入的，以投资合同或协议约定的价值作为初始投资成本，但合同或协议约定价值不公允时，则以投入股权的公允价值作为初始投资成本。长期股权投资的初始投资成本大于投资时应享有被投资单位可辨认净资产公允价值份额的，不调整长期股权投资的初始投资成本；长期股权投资的初始投资成本小于投资时应享有被投资单位可辨认净资产公允价值份额的差额，计入当期损益，同时调整长期股权投资的成本。

### (2) 长期股权投资的核算

本公司对子公司的投资，是指本公司对其拥有实际控制权的股权投资。本公司对子公司投资采用成本法核算，编制合并财务报表时按权益法进行调整。

本公司对合营公司的投资，是指按照合同约定对某项经济活动所共有的控制，仅在与该项经济活动相关的重要财务和生产经营决策需要分享控制权的投资方一致同意时存在的股权投资。对合营投资本公司采用权益法核算。

本公司对联营公司的投资，是指本公司对其具有重大影响的股权投资。对联营投资本公司采用权益法核算。

本公司对不具重大影响，并且在活跃市场中没有报价、公允价值不能可靠计量的长期股权投资，采用成本法核算。本公司对不具重大影响，但在活跃市场中有报价或公允价值能够可靠计量的长期股权投资，在可供出售金融资产项目列报，采用公允价值计量，其公允价值变动计入股东权益。

## 10. 投资性房地产

(1) 投资性房地产的分类：包括已出租的土地使用权；持有并准备增值后转让的土地使用权；已出租的建筑物。

(2) 投资性房地产的计价：投资性房地产按其成本作为入账价值，外购投资性房地产的成本包括购买价款、相关税费和可直接归属于该资产的其他支出；自行建造投资性房地产的成本，由建造该项资产达到预定可使用状态前所发生的必要支出构成。

本公司对投资性房地产采用成本模式进行后续计量，按其预计使用寿命及净残值率对建筑物和土地使用权计提折旧或摊销。投资性房地产的预计使用寿命、净残值率及年折旧(摊销)率列示如下：

类 别	折旧年限 (年)	残值率	年折旧率 (%)
房屋建筑物	30 年	3.00%	3.23%

## (3) 投资性房地产的转换和处置:

投资性房地产的用途改变为自用时, 则自改变之日起, 将该投资性房地产转换为固定资产或无形资产。自用房地产的用途改变为赚取租金或资本增值时, 则自改变之日起, 将固定资产或无形资产转换为投资性房地产。发生转换时, 以转换前的账面价值作为转换后的入账价值。

当投资性房地产被处置, 或者永久退出使用且预计不能从其处置中取得经济利益时, 终止确认该项投资性房地产。投资性房地产出售、转让、报废或毁损的处置收入扣除其账面价值和相关税费后的金额计入当期损益。

## 11. 固定资产

(1) 固定资产的确认标准: 固定资产是指同时具有以下特征, 即为生产商品、提供劳务、出租或经营管理而持有的, 使用年限超过一年的有形资产。

(2) 固定资产的分类: 房屋及建筑物、专用电子设备、专用玻璃设备、机器设备、办公设备及其他。

(3) 固定资产的计价: 固定资产按其成本作为入账价值, 其中, 外购的固定资产的成本包括买价、增值税、进口关税等相关税费, 以及为使固定资产达到预定可使用状态前所发生的可直接归属于该资产的其他支出。自行建造固定资产的成本, 由建造该项资产达到预定可使用状态前所发生的必要支出构成。投资者投入的固定资产, 按投资合同或协议约定的价值作为入账价值, 但合同或协议约定价值不公允的按公允价值入账。融资租赁租入的固定资产, 按租赁开始日租赁资产公允价值与最低租赁付款额的现值两者中较低者, 作为入账价值。

(4) 固定资产折旧方法: 除已提足折旧仍继续使用的固定资产, 本公司对所有固定资产计提折旧。计提折旧时采用平均年限法, 按预计的使用年限, 以单项折旧率按月计算, 并根据用途分别计入相关资产的成本或当期费用。预计净残值率为 3%, 固定资产分类折旧年限、折旧率如下:

类 别	折旧年限 (年)	年折旧率 (%)
房屋及建筑物	30 年	3.23%
专用电子设备	15 年	6.47%
专用玻璃设备	6 年	16.17%
机器设备	18 年	5.39%
办公设备及其他	5 年	19.40%

(5) 固定资产后续支出的处理: 固定资产的后续支出主要包括修理支出、更新改良支出及装修支出等内容, 在相关的经济利益很可能流入本公司且其成本能够可靠的计量时, 计入固定资产成本; 对于被替换的部分, 终止确认其账面价值; 所有其他后续支出于发生时计入当期损益。



(6) 本公司于每年年度终了, 对固定资产的预计使用寿命、预计净残值和折旧方法进行复核并作适当调整。

(7) 当固定资产被处置、或者预期通过使用或处置不能产生经济利益时, 终止确认该固定资产。固定资产出售、转让、报废或毁损的处置收入扣除其账面价值和相关税费后的金额计入当期损益。

## 12. 在建工程

(1) 在建工程的计价: 按实际发生的成本计量。自营工程按直接材料、直接工资、直接施工费等计量; 出包工程按应支付的工程价款等计量; 设备安装工程按所安装设备的价值、安装费用、工程试运转等所发生的支出等确定工程成本。在建工程成本还包括应当资本化的借款费用和汇兑损益。

(2) 在建工程结转固定资产的标准和时点: 本公司建造的固定资产在达到预定可使用状态之日起, 根据工程预算、造价或工程实际成本等, 按估计的价值结转固定资产, 次月起开始计提折旧。待办理了竣工决算手续后再对固定资产原值差异作调整。

## 13. 借款费用

(1) 借款费用资本化的确认原则: 发生的可直接归属于需要经过相当长时间的购建活动才能达到预定可使用状态之固定资产的购建的借款费用, 在资产支出及借款费用已经发生、并且为使资产达到预定可使用状态所必要的购建活动已经开始时, 才能开始资本化并计入该资产的成本。当购建的资产达到预定可使用状态时停止资本化, 其后发生的借款费用计入当期损益。

(2) 借款费用资本化的期间: 为购建固定资产所发生的借款费用, 满足上述资本化条件的, 在该资产达到预定可使用状态或可销售状态前所发生的, 计入资产成本; 若固定资产或投资性房地产的购建活动发生非正常中断, 并且中断时间连续超过 3 个月, 暂停借款费用的资本化, 将其确认为当期费用, 直至资产的购建活动重新开始; 在达到预定可使用状态或可销售状态时, 停止借款费用的资本化, 之后发生的借款费用于发生当期直接计入财务费用。

(3) 借款费用资本化金额的计算方法: 为购建或者生产开发符合资本化条件的资产而借入专门借款的, 以专门借款当期实际发生的利息费用, 减去将尚未动用的借款资金存入银行取得的利息收入或进行暂时性投资取得的投资收益后的金额确定。

## 14. 无形资产

(1) 无形资产的计价方法: 本公司的主要无形资产是土地使用权、专利技术和非专利技术等。购入的无形资产, 按实际支付的价款和相关的其他支出作为实际成本。投资者投入的无形资产, 按投资合同或协议约定的价值确定实际成本, 但合同或协议约定价值不公允的, 按公允价值确定实际成本。

(2) 无形资产摊销方法和期限: 本公司的土地使用权从出让起始日起, 按其出让年限平均摊销; 本公司专利技术、非专利技术和其他无形资产按预计使用年限、合同规定的受益年限和法律规定的有效年限三者中最短者分期平均摊销。摊销金额按其受益对象计入相关资产成本和当期损益。

(3) 本公司于每年年度终了,对使用寿命有限的无形资产的预计使用寿命及摊销方法进行复核并作适当调整。并于每个会计期间,对使用寿命不确定的无形资产的预计使用寿命进行复核,对于有证据表明无形资产的使用寿命是有限的,则估计其使用寿命并在预计使用寿命内摊销。

#### 15. 研究与开发

本公司内部研究开发项目支出根据其性质以及研发活动最终形成无形资产是否具有较大不确定性,分为研究阶段支出和开发阶段支出。

自行研究开发的无形资产,其研究阶段的支出,于发生时计入当期损益;其开发阶段的支出,同时满足下列条件的,确认为无形资产:

- (1) 完成该无形资产以使其能够使用或出售在技术上具有可行性;
- (2) 具有完成该无形资产并使用或出售的意图;
- (3) 运用该无形资产生产的产品存在市场或无形资产自身存在市场;
- (4) 有足够的技术、财务资源和其他资源支持,以完成该无形资产的开发,并有能力使用或出售该无形资产;
- (5) 归属于该无形资产开发阶段的支出能够可靠地计量。

不满足上述条件的开发阶段的支出,于发生时计入当期损益。前期已计入损益的开发支出不在以后期间确认为资产。已资本化的开发阶段的支出在资产负债表上列示为开发支出,自该项目达到预定可使用状态之日起转为无形资产。

#### 16. 资产减值

本公司于年末对长期股权投资(除不具重大影响,并且在活跃市场中没有报价、公允价值不能可靠计量的长期股权投资)、固定资产、在建工程、无形资产等项目进行检查,当存在下列迹象时,表明资产可能发生了减值,本公司将进行减值测试,对商誉和受益年限不确定的无形资产每年末均进行减值测试。难以对单项资产的可收回金额进行测试的,以该资产所属的资产组或资产组组合为基础测试。

减值测试后,若该资产的账面价值超过其可收回金额,其差额确认为减值损失。资产的可收回金额是指资产的公允价值减去处置费用后的净额与资产预计未来现金流量的现值两者之间的较高者。

出现减值的迹象如下:

- (1) 资产的市价当期大幅度下跌,其跌幅明显高于因时间的推移或者正常使用而预计的下跌。
- (2) 企业经营所处的经济、技术或者法律等环境以及资产所处的市场在当期或者将在近期发生重大变化,从而对企业产生不利影响。
- (3) 市场利率或者其他市场投资报酬率在当期已经提高,从而影响企业计算资产预计未来现金流量现值的折现率,导致资产可收回金额大幅度降低。
- (4) 有证据表明资产已经陈旧过时或者其实体已经损坏。
- (5) 资产已经或者将被闲置、终止使用或者计划提前处置。

(6) 企业内部报告的证据表明资产的经济绩效已经低于或者将低于预期，如资产所创造的净现金流量或者实现的营业利润（或者亏损）远远低于（或者高于）预计金额等。

(7) 其他表明资产可能已经发生减值的迹象。

## 17. 商誉

商誉为股权投资成本或非同一控制下企业合并成本超过应享有的或企业合并中取得的被投资单位或被购买方可辨认净资产于取得日或购买日的公允价值份额的差额。

与了公司有关的商誉在合并财务报表上单独列示，与联营企业和合营企业有关的商誉，包含在长期股权投资的账面价值中。

在财务报表中单独列示的商誉至少每年进行减值测试。减值测试时，商誉的账面价值根据企业合并的协同效应分摊至受益的资产组或资产组组合。

## 18. 职工薪酬

### (1) 职工薪酬

主要包括工资、奖金、津贴和补贴、职工福利费、社会保险费及住房公积金、工会经费和职工教育经费等其他与获得职工提供的服务相关的支出。

本公司在职工提供服务的会计期间，将应付的职工薪酬确认为负债，并根据职工提供服务的受益对象计入相关资产成本和费用。因解除与职工的劳动关系而给予的补偿，计入当期损益。

### (2) 辞退福利

辞退福利是指因解除与职工的劳动关系而给予的补偿，包括本公司决定在职工劳动合同到期前不论职工愿意与否，解除与职工的劳动关系给予的补偿；本公司在职工劳动合同到期前鼓励职工自愿接受裁减而给予的补偿；以及本公司实施的内部退休计划。

辞退福利的确认原则：

- 1) 企业已经制定正式的解除劳动关系计划或提出自愿裁减建议，并即将实施。
- 2) 企业不能单方面撤回解除劳动关系计划或裁减建议。

辞退福利的计量方法：

1) 对于职工没有选择权的辞退计划，根据计划条款规定拟解除劳动关系的职工数量、每一职工的辞退补偿等计提应付职工薪酬。

2) 对于自愿接受裁减的建议，首先预计将会接受裁减建议的职工数量，再根据预计的职工数量和每一职工的辞退补偿等计提应付职工薪酬。

辞退福利的确认标准：

1) 对于分期或分阶段实施的解除劳动关系计划或自愿裁减建议，在每期或每阶段计划符合预计负债确认条件时，将该期或该阶段计划中由提供辞退福利产生的预计负债予以确认，计入该部分计划满足预计负债确认条件的当期管理费用。

2) 对于符合规定的内退计划, 按照内退计划规定, 将自职工停止提供服务日至正常退休日之间期间、企业拟支付的内退人员工资和缴纳的社会保险费等, 确认为预计负债, 计入当期管理费用。

#### 19. 预计负债

(1) 预计负债的确认原则: 当与对外担保、未决诉讼或仲裁、产品质量保证、裁员计划、亏损合同、重组义务、固定资产弃置义务等或有事项相关的业务同时符合以下条件时, 本公司将其确认为负债:

- 1) 该义务是本公司承担的现时义务;
- 2) 该义务的履行很可能导致经济利益流出本公司;
- 3) 该义务的金额能够可靠地计量。

(2) 预计负债计量方法: 预计负债按照履行相关现时义务所需支出的最佳估计数进行初始计量, 并综合考虑与或有事项有关的风险、不确定性和货币时间价值等因素。货币时间价值影响重大的, 通过对相关未来现金流出进行折现后确定最佳估计数。于资产负债表日对预计负债的账面价值进行复核, 并对账面价值进行调整以反映当前最佳估计数的。因时间推移导致的预计负债账面价值的增加金额, 确认为利息费用。

#### 20. 收入确认方法

本公司的营业收入主要包括销售商品收入、提供劳务收入和让渡资产使用权收入。与交易相关的经济利益能够流入本公司, 相关的收入能够可靠计量且满足下列各项经营活动的特定收入确认标准时, 确认相关的收入。

##### (1) 销售商品收入

在同时满足下列条件时, 本公司确认销售商品实现的收入, 并以从购货方已收或应收的合同或协议价款进行计量, 但已收或应收的合同或协议价款不公允的除外:

- 1) 本公司已将商品所有权上的主要风险和报酬转移给购货方;
- 2) 本公司既没有保留通常与所有权相联系的继续管理权, 也没有对已售出的商品实施有效控制;
- 3) 收入的金额能够可靠地计量;
- 4) 相关的经济利益很可能流入企业;
- 5) 相关的已发生或将发生的成本能够可靠地计量。

如果合同或协议价款的收取采用递延方式, 则按照应收的合同或协议价款的公允价值确定销售商品收入金额; 将应收的合同或协议价款与其公允价值之间的差额在合同或协议期间内采用实际利率法进行摊销, 计入当期损益。

##### (2) 提供劳务收入

如果提供劳务交易的结果同时满足下列条件, 本公司将采用完工百分比法确认提供劳务的收入, 并按照从接受劳务方已收或应收的合同或协议价款确定提供劳务收入的总额, 但已收或应收的合同或协议价款不公允的除外:

- 1) 收入的金额能够可靠地计量;

- 2) 相关的经济利益很可能流入本公司;
- 3) 交易的完工进度能够可靠地确定;
- 4) 交易中已发生和将发生的成本能够可靠地计量。

本公司采用完工百分比法确认提供劳务的收入时,按照已经发生的成本占估计总成本的比例(或已经提供的劳务占应提供劳务总量的比例)确定完工进度。

若提供劳务交易的结果不能够可靠估计,但已经发生的劳务成本预计能够得到补偿的,本公司将按照已经发生的劳务成本金额确认提供劳务收入,并按相同金额结转劳务成本;若已经发生的劳务成本预计不能够得到补偿的,本公司将已经发生的劳务成本计入当期损益,不确认提供劳务收入。

### (3) 让渡资产使用权收入

在与交易相关的经济利益能够流入本公司,收入的金额能够可靠地计量时,确认让渡资产使用权收入的实现。

- 1) 利息收入按照他人使用本公司货币资金的时间和实际利率计算确定。
- 2) 使用费收入按照有关合同或协议约定的收费时间和方法计算确定。
- 3) 经营租赁收入按照直线法在租赁期内确认。

## 21. 租赁

本公司租赁为经营租赁,经营租赁的租金支出在租赁期内按照直线法计入相关资产成本或当期损益。

## 22. 政府补助

政府补助在本公司能够满足其所附的条件以及能够收到时,予以确认。政府补助为货币性资产的,按照实际收到的金额计量;对于按照固定的定额标准拨付的补助,按照应收的金额计量。政府补助为非货币性资产的,按照公允价值计量;公允价值不能可靠取得的,按照名义金额(1元)计量。

与资产相关的政府补助确认为递延收益,并在相关资产使用寿命内平均分配,计入当期损益。与收益相关的政府补助,用于补偿本公司以后期间的相关费用或损失的,确认为递延收益,并在确认相关费用的期间,计入当期损益;用于补偿本公司已发生的相关费用或损失的,直接计入当期损益。

## 23. 递延所得税资产和递延所得税负债

递延所得税资产和递延所得税负债根据资产和负债的计税基础与其账面价值的差额(暂时性差异)计算确认。对于按照税法规定能够于以后年度抵减应纳税所得额的可抵扣亏损和税款抵减,视同暂时性差异确认相应的递延所得税资产。对于商誉的初始确认产生的暂时性差异,不确认相应的递延所得税负债。对于既不影响会计利润也不影响应纳税所得额(或可抵扣亏损)的非企业合并的交易中产生的资产或负债的初始确认形成的暂时性差异,不确认相应的递延所得税资产和递延所得税负债。于资产负债表日,递延所得税资产和递延所得税负债,按照预期收回该资产或清偿该负债期间的适用税率计量。

递延所得税资产的确认以本公司很可能取得用来抵扣可抵扣暂时性差异、可抵扣亏损和税款抵减的应纳税所得额为限。

对子公司、联营企业及合营企业投资相关的暂时性差异产生的递延所得税资产和递延所得税负债，予以确认。但本公司能够控制暂时性差异转回的时间且该暂时性差异在可预见的未来很可能不会转回的，不予确认。

#### 24. 所得税的会计处理方法

本公司所得税的会计核算采用资产负债表债务法核算。

本公司以很可能取得用来抵扣可抵扣暂时性差异的应纳税所得额为限，确认由可抵扣暂时性差异产生的递延所得税资产。对已确认的递延所得税资产，当预计到未来期间很可能无法获得足够的应纳税所得额用以抵扣递延所得税资产时，应当减记递延所得税资产的账面价值。在很可能获得足够的应纳税所得额时，减记的金额予以转回。

#### 25. 企业合并

企业合并是指将两个或两个以上单独的企业合并形成一个报告主体的交易或事项。本公司在合并日或购买日确认因企业合并取得的资产、负债，合并日或购买日为实际取得被合并方或被购买方控制权的日期。

(1) 同一控制下的企业合并：合并方在企业合并中取得的资产和负债，按照合并日在被合并方的账面价值计量，合并方取得的净资产账面价值与支付的合并对价账面价值的差额，调整资本公积；资本公积不足冲减的，调整留存收益。

(2) 非同一控制下企业合并：合并成本为购买方在购买日为取得对被购买方的控制权而付出的资产、发生或承担的负债以及发行的权益性证券的公允价值。合并成本大于合并中取得的被购买方可辨认净资产公允价值份额的差额，确认为商誉；合并成本小于合并中取得的被购买方可辨认净资产公允价值份额的，经复核确认后，计入当期损益。

#### 26. 金融工具的公允价值确定

存在活跃市场的金融工具，以活跃市场中的先行出价确定其公允价值。不存在活跃市场的金融工具，采用估值技术确定其公允价值。估值技术包括参考熟悉情况并自愿交易的各方最近进行的市场交易中使用的价格、参照实质上相同的其他金融资产的当前公允价值、现金流量折现法和期权定价模型等。采用估值技术时，尽可能多使用市场参数，不使用与本公司特定相关的参数。

#### 27. 合并财务报表的编制方法

(1) 合并范围的确定原则：本公司将拥有实际控制权的子公司及特殊目的主体纳入合并财务报表范围。

(2) 合并财务报表所采用的会计方法：本公司合并财务报表是按照《企业会计准则第 33 号—合并财务报表》及相关规定的要求编制，合并时合并范围内的所有重大内部交易和往来业已抵销。



## 六、税项

本公司适用的主要税种及税率如下：

### 1. 企业所得税

本公司根据西安市国家税务局高新技术产业开发区分局市国税商函(2003)1 号文件，经陕西省国家税务局批准，本公司从事的主营业务享有“西部大开发政策”的税务优惠，在 2001 年至 2010 年期间，减按 15% 缴纳企业所得税。

西安彩虹资讯有限公司(“彩虹资讯”)根据西安市国家税务局市国税高函(2004)353 号文件的批准，彩虹资讯从事的主营业务享有“西部大开发政策”的税务优惠，在 2003 年至 2010 年期间，减按 15% 缴纳企业所得税。

西安彩辉显示技术有限公司(“西安彩辉”)按 33% 的税率缴纳企业所得税。

全国人民代表大会于 2007 年 3 月 16 日通过了《中华人民共和国企业所得税法》(“新所得税法”)。新所得税法将自 2008 年 1 月 1 日起施行。

根据国务院关于实施企业所得税过渡优惠政策的通知“国发〔2007〕39 号”文件中“根据国务院实施西部大开发有关文件精神，财政部、税务总局和海关总署联合下发的《财政部、国家税务总局、海关总署关于西部大开发税收优惠政策问题的通知》(财税〔2001〕202 号)中规定的西部大开发企业所得税优惠政策继续执行”的规定本公司在 2001 年至 2010 年期间，仍减按 15% 缴纳企业所得税，西安彩辉自 2008 年起按照 25% 的税率缴纳企业所得税。

### 2. 增值税

本公司商品销售收入适用增值税。其中：内销商品销项税率为 17%。

购买原材料等所支付的增值税进项税额可以抵扣销项税，税率为 17%。其中：为出口产品而支付的进项税可以申请退税，自营出口产品销售采用“免、抵、退”办法，退税率为 13%。

增值税应纳税额为当期销项税抵减当期进项税后的余额。

纳入合并范围的子公司西安彩辉显示技术有限公司注册于西安出口加工区，根据中华人民共和国国家税务总局《出口加工区税收管理暂行办法》(国税发(2000)155 号)的规定，对区外企业销售给出口加工区内企业的商品、国产设备以及建筑材料，可向税务机关申报办理退(免)增值税。对区内企业直接出口和销售给区内企业的货物，免征增值税。

### 3. 营业税

本公司对外提供劳务及租赁等所取得的收入，适用税率 5%。

### 4. 城建税及教育费附加

本公司城建税、教育费附加均以应纳增值税、营业税额为计税依据，适用税率分别为 7% 和 3%。

## 5. 房产税

本公司以房产原值的 75%为计税依据，适用税率为 1.2%。

## 6. 土地使用税

本公司土地使用税计税依据：4.8 元/每平方米/年。

## 7. 个人所得税

本公司职工的个人所得税由个人承担，本公司代扣代缴。

## 七、企业合并及合并财务报表

## (一) 重要子公司

公司名称	注册地	业务性质	注册资本	经营范围	投资金额	持股比例	表决权比例
西安彩辉显示技术有限公司	西安	生产制造	1000 万元	生产、研发、销售彩色、黑白显像管及配套电子零部件	900 万元	90.00%	90.00%

西安彩辉显示技术有限公司系 2005 年 6 月 13 日由本公司和西安彩虹资讯有限公司（以下简称“彩虹资讯”）共同投资，并经西安市工商行政管理局批准成立的企业法人单位。注册资本：人民币 1000 万元，其中本公司以货币出资，出资额人民币 900 万元，占注册资本 90%；彩虹资讯以货币出资，出资额人民币 100 万元，占注册资本 10%。

西安彩辉公司属彩管制造行业，经营范围主要包括：彩色显像管、偏转线圈及配套零部件的研究、开发、设计、制造、销售及其产品售后服务；货物和技术的进出口的经营（国家限定的项目除外）；承办“三来一补”业务。主要产品包括：54cmFS 彩管、64cmPF 彩管、65cmFS 彩管、74cmPF 管。2007 年 12 月新增产品 37cmFS 彩管、40cmPF 彩管。

## (二) 合并范围的变动

2007 年 11 月 30 日，本公司将所持有的子公司彩虹资讯 55%股权转让给母公司彩虹电子。根据本公司与彩虹电子签订的股权转让协议，彩虹资讯自 2007 年 6 月 30 日以后经营收益或损失全部由受让方承担，因此本公司只将彩虹资讯 2007 年 1-6 月利润表纳入本年度合并会计报表。

彩虹资讯 2007 年 6 月 30 日净资产 154,730,372.73 元，2007 年 1-6 月净利润 2,160,247.36 元。

## 八、合并财务报表主要项目注释

## 1. 货币资金

项目	2007 年 12 月 31 日			2006 年 12 月 31 日		
	原币	折算汇率	折合人民币	原币	折算汇率	折合人民币
库存现金	16,586.84	1.00	16,586.84	6,697.17	1.00	6,697.17
银行存款	108,256,456.82		108,256,456.82	125,324,683.79		125,324,683.79
其中：美元	2,366,749.83	7.30	17,289,515.63	1,417,135.41	7.81	11,065,985.27
其他货币资金	21,600.00	7.30	160,148.88	0.00		0.00
其中：美元	21,600.00	7.30	160,148.88	0.00		0.00
合计			108,433,192.54			125,331,380.96

## 2. 应收票据

## (1) 应收票据种类

票据种类	2007 年 12 月 31 日	2006 年 12 月 31 日
银行承兑汇票	330,167,927.20	545,985,327.52

(2) 期末本公司已经背书给他方但尚未到期的票据总额为 788,492,228.28 元，到期日区间为 2008 年 1 至 6 月。已贴现未到期的票据金额 20,000,000.00 元。

## 3. 应收账款

## (1) 应收账款风险分类

项目	2007 年 12 月 31 日			2006 年 12 月 31 日		
	金额	比例	坏账准备	金额	比例	坏账准备
单项金额重大的应收账款	331,634,052.24	98.84%	298,144.68	259,568,952.20	80.41%	242,291.23
单项金额不重大但按信用风险特征组合后该组合的风险较大的应收账款	279,657.23	0.08%	279,657.23	280,143.43	0.09%	280,143.43
其他单项金额不重大的应收账款	3,627,294.13	1.08%	19,023.93	62,965,340.81	19.51%	0.00
合计	335,541,003.60	100.00%	596,825.84	322,814,436.44	100.00%	522,434.66

应收账款风险分类政策参见附注五、7。

## (2) 应收账款账龄

项目	2007 年 12 月 31 日			2006 年 12 月 31 日		
	金额	比例	坏账准备	金额	比例	坏账准备
0-90 天	264,908,558.54	78.95%	0.00	126,046,880.05	39.05%	0.00
91-180 天	60,250,185.11	17.96%	0.00	188,020,477.96	58.24%	0.00
181 天-1 年	4,936,358.38	1.47%	49,363.59	4,526,388.00	1.40%	45,263.88
1-2 年	4,976,388.19	1.48%	248,819.40	3,940,547.00	1.22%	197,027.35

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2-3 年	189,856.15	0.06%	18,985.62	0.00	0.00%	0.00
3-4 年	0.00	0.00%	0.00	280,143.43	0.09%	280,143.43
4-5 年	279,657.23	0.08%	279,657.23	0.00	0.00%	0.00
5 年以上	0.00	0.00%	0.00	0.00	0.00%	0.00
合计	335,541,003.60	100.00%	596,825.84	322,814,436.44	100.00%	522,434.66

(3) 坏账准备的计提方法及比例参见附注五、7。

(4) 期末应收账款中含应收持有本公司 5%以上表决权股份的彩虹电子款项 17,883,433.55 元。

(5) 期末余额前五位的应收账款金额合计 192,579,045.88 元，占应收账款总额的 57.39%。（其中一年内的应收账款 192,579,045.88 元，无一年以上的应收账款）

(6) 期末余额中应收关联方款项合计 17,883,433.55 元，占应收账款总额 5.33%。

(7) 应收账款中包括以下外币余额：

外币名称	2007 年 12 月 31 日			2006 年 12 月 31 日		
	原币	折算汇率	折合人民币	原币	折算汇率	折合人民币
美元	17,867,129.16	7.30	130,442,969.06	7,913,669.10	7.81	61,801,546.94

#### 4. 预付款项

项目	2007 年 12 月 31 日		2006 年 12 月 31 日	
	金额	比例	金额	比例
1 年以内	4,925,806.33	100.00%	159,706.57	100.00%
1—2 年	25.45	0.00%	0.00	0.00%
合计	4,925,831.78	100.00%	159,706.57	100.00%

(1) 无大额账龄超过 1 年的预付款项。

(2) 预付款项中不含预付持有本公司 5%（含 5%）以上表决权股份的股东单位款项。

#### 5. 其他应收款

(1) 其他应收款风险分类

项目	2007 年 12 月 31 日			2006 年 12 月 31 日		
	金额	比例	坏账准备	金额	比例	坏账准备
单项金额重大的其他应收款	45,756,660.64	98.93%	1,750,000.00	1,750,000.00	75.89%	1,750,000.00
其他单项金额不重大的其他应收款	492,987.77	1.07%	0.00	555,833.47	24.11%	0.00
合计	46,249,648.41	100.00%	1,750,000.00	2,305,833.47	100.00%	1,750,000.00

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## (2) 其他应收款账龄

项目	2007 年 12 月 31 日			2006 年 12 月 31 日		
	金额	比例	坏账准备	金额	比例	坏账准备
0-90 天	44,499,648.41	96.22%	0.00	508,214.13	22.04%	0.00
91-180 天	0.00	0.00%	0.00	47,619.34	2.07%	0.00
3-4 年	0.00	0.00%	0.00	0.00	0.00%	0.00
4-5 年	0.00	0.00%	0.00	0.00	0.00%	0.00
5 年以上	1,750,000.00	3.78%	1,750,000.00	1,750,000.00	75.89%	1,750,000.00
合计	46,249,648.41	100.00%	1,750,000.00	2,305,833.47	100.00%	1,750,000.00

(3) 坏账准备的计提方法及比例参见本附注五.7。

(4) 其他应收款期末余额较上年期末大幅度增加系由于本公司本期新增应收彩虹集团公司股权转让款 35,345,473.46 元所致，彩虹集团公司已于 2008 年 1 月将股权转让款归还本公司。

(5) 其他应收款中无含应收持本公司 5%（含 5%）以上表决权股份的股东单位款项。

(6) 期末余额前五位的其他应收款金额合计 45,756,660.64 元，占其他应收款总额的 98.93%。（其中一年内的其他应收款 44,006,660.64 元，一年以上的其他应收款 1,750,000.00 元）

(7) 期末余额中应收关联方款项合计 35,346,366.78 元，占其他应收款总额的 76.43%。

## 6. 存货及跌价准备

## (1) 存货的类别

项目	2007 年 12 月 31 日	2006 年 12 月 31 日
原材料	15,791,081.29	35,611,506.63
在产品	15,245,844.22	24,472,970.00
库存商品	232,311,639.44	129,114,265.00
低值易耗品	13,148,659.81	50,637.36
合计	276,497,224.76	189,249,378.99

## (2) 存货的跌价准备

项目	2006 年 12 月 31 日	本期计提额	本期减少额		2007 年 12 月 31 日
			转回	其他转出	
原材料	30,451.32	0.00	0.00	0.00	30,451.32
在产品	4,532,198.35	7,315.90	724,001.41	134,325.39	3,681,187.45
库存商品	1,019,681.40	7,311,700.80	0.00	0.00	8,331,382.20
合计	5,582,331.07	7,319,016.70	724,001.41	134,325.39	12,043,020.97

存货跌价准备的计提方法参见本附注五.8。

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## 7. 长期股权投资

## (1) 长期股权投资

项目	2007 年 12 月 31 日	2006 年 12 月 31 日
按成本法核算长期股权投资	30,000,000.00	30,000,000.00
按权益法核算长期股权投资	0.00	109,702,120.45
<b>长期股权投资合计</b>	<b>30,000,000.00</b>	<b>139,702,120.45</b>
减：长期股权投资减值准备	5,940,000.00	6,613,956.00
<b>长期股权投资净值</b>	<b>24,060,000.00</b>	<b>133,088,164.45</b>

## (2) 按成本法、权益法

被投资单位名称	持股比例	初始金额	年初余额	本年增加	本年减少	年末余额	当年分得的现金红利
<b>成本法核算：</b>							
西部信托投资有限公司	5.01%	30,000,000.00	30,000,000.00	0.00	0.00	30,000,000.00	565,873.23
<b>小计</b>		<b>30,000,000.00</b>	<b>30,000,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>30,000,000.00</b>	<b>565,873.23</b>
<b>权益法核算：</b>							
西安新纪元俱乐部有限公司	41.67%	20,000,000.00	13,418,681.19	1,784,173.80	15,202,854.99	0.00	0.00
彩虹数码显示技术有限公司	49.00%	318,500,000.00	93,509,483.22	-5,036,503.20	88,472,980.02	0.00	0.00
彩虹塑业有限责任公司	30.00%	3,000,000.00	2,773,956.04	0.00	2,773,956.04	0.00	0.00
<b>小计</b>		<b>341,500,000.00</b>	<b>109,702,120.45</b>	<b>-3,252,329.40</b>	<b>106,449,791.05</b>	<b>0.00</b>	<b>0.00</b>
<b>合计</b>		<b>371,500,000.00</b>	<b>139,702,120.45</b>	<b>-3,252,329.40</b>	<b>106,449,791.05</b>	<b>30,000,000.00</b>	<b>565,873.23</b>

本公司本期将对西安新纪元俱乐部有限公司、彩虹数码显示技术有限公司之投资转让给本公司最终控股股东彩虹集团（具体情况见本附注十四所述），使得长期股权投资余额较上年末大幅下降。彩虹塑业有限责任公司本年度已进行清算，注销手续正在办理中。

## (3) 长期股权投资减值准备

被投资单位名称	2006 年 12 月 31 日	本期计提额	本期减少额		2007 年 12 月 31 日
			转回	其他转出	
彩虹塑业有限责任公司	673,956.00	0.00	0.00	673,956.00	0.00
西部信托投资有限公司	5,940,000.00	0.00	0.00	0.00	5,940,000.00
<b>合计</b>	<b>6,613,956.00</b>	<b>0.00</b>	<b>0.00</b>	<b>673,956.00</b>	<b>5,940,000.00</b>



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## 8. 投资性房地产

项目	2006年12月31日	本年增加	本年减少	2007年12月31日
原价	6,754,888.06	0.00	0.00	6,754,888.06
其中：房屋、建筑物	6,754,888.06	0.00	0.00	6,754,888.06
土地使用权	0.00	0.00	0.00	0.00
累计折旧和累计摊销	1,839,915.73	218,408.07	0.00	2,058,323.80
其中：房屋、建筑物	1,839,915.73	218,408.07	0.00	2,058,323.80
土地使用权	0.00	0.00	0.00	0.00
投资性房地产减值准备累计金额	0.00	0.00	0.00	0.00
其中：房屋、建筑物	0.00	0.00	0.00	0.00
土地使用权	0.00	0.00	0.00	0.00
投资性房地产账面价值	4,914,972.33	-218,408.07	0.00	4,696,564.26
其中：房屋、建筑物	4,914,972.33	-218,408.07	0.00	4,696,564.26
土地使用权	0.00	0.00	0.00	0.00

投资性房地产采用成本模式计量。

## 9. 固定资产

## (1) 固定资产明细表

	房屋建筑物	机器设备	运输设备	办公设备	合计
原值					
2006年12月31日	349,814,128.63	1,770,316,364.47	4,140,667.70	10,216,320.07	2,134,487,480.87
本期增加	0.00	598,764,490.11	3,107,318.00	0.00	601,871,808.11
其中在建工程转入	0.00	1,924,603.49	0.00	0.00	1,924,603.49
本期减少	31,928,588.41	388,153,920.41	812,287.50	146,255.51	421,041,051.83
2007年12月31日	317,885,540.22	1,980,926,934.17	6,435,698.20	10,070,064.56	2,315,318,237.15
累计折旧					
2006年12月31日	116,185,023.27	1,117,212,258.42	2,397,140.22	8,312,542.33	1,244,106,964.24
本期增加	10,787,978.07	361,560,555.69	2,952,324.91	546,383.79	375,847,242.46
本期减少	5,084,055.29	306,422,312.02	474,242.79	594,998.58	312,575,608.68
2007年12月31日	121,888,946.05	1,172,350,502.09	4,875,222.34	8,263,927.54	1,307,378,598.02
减值准备					
2006年12月31日	0.00	103,958,750.25	0.00	0.00	103,958,750.25
本期增加	0.00	6,445,857.00	0.00	0.00	6,445,857.00
本期转回	0.00	0.00	0.00	0.00	0.00
本期其他减少	0.00	2,642,389.97	0.00	0.00	2,642,389.97
2007年12月31日	0.00	107,762,217.28	0.00	0.00	107,762,217.28
净值					
2006年12月31日	233,629,105.36	549,145,355.80	1,743,527.48	1,903,777.74	786,421,766.38
2007年12月31日	195,996,594.17	700,814,214.80	1,560,475.86	1,806,137.02	900,177,421.85

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本公司本年为重组经营业务与股东彩虹电子进行了资产置换（具体情况见本附注十四所述），使得本年固定资产增减变动较大及本年末较上年末余额增加。

（2）暂时闲置固定资产明细项目列示如下：

项目	账面原值	累计折旧	减值准备	账面净值
机器设备	27,258,314.34	8,934,912.45	4,168,106.59	14,155,295.30

暂时闲置的固定资产主要因产能不足而导致的暂时停用，根据本公司生产计划安排需要时可以再投入使用。

（3）本公司无未办妥产权证书的固定资产。

（4）本年末本公司用于向中国工商银行咸阳分行贷款抵押的固定资产为房屋建筑物，原值为 316,316,449.40 元，净值 194,799,641.86 元。

#### 10. 在建工程

工程名称	2006年12月31日	本期增加	本期转固	其他减少	2007年12月31日	资金来源
生产线改造及其他零星工程	2,005,222.00	3,435,972.66	1,924,603.49	0.00	3,516,591.17	自筹

#### 11. 无形资产

项目	土地使用权	专利权	非专利技术	合计
<b>原价</b>				
2006 年 12 月 31 日	47,735,996.94	1,587,139.00	45,238.50	49,368,374.44
本期增加	0.00	234,000.00	1,149,702.62	1,383,702.62
本期减少	22,291,728.74	0.00	45,238.50	22,336,967.24
2007 年 12 月 31 日	25,444,268.20	1,821,139.00	1,149,702.62	28,415,109.82
<b>累计摊销</b>				
2006 年 12 月 31 日	7,278,329.28	479,832.60	21,158.56	7,779,320.44
本期摊销	861,600.36	221,461.20	122,702.42	1,205,763.98
本期减少	3,082,898.50	0.00	25,766.56	3,108,665.06
2007 年 12 月 31 日	5,057,031.14	701,293.80	118,094.42	5,876,419.36
<b>账面价值</b>				
2006 年 12 月 31 日	40,457,667.66	1,107,306.40	24,079.94	41,589,054.00
2007 年 12 月 31 日	20,387,237.06	1,119,845.20	1,031,608.20	22,538,690.46
<b>摊销期</b>	40-50 年	5-7 年	5-10 年	

本公司本年增加的无形资产-非专利技术为本公司自彩虹电子购入的 21 寸全平面彩色显像管技术转让费。

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本公司本年无形资产-土地使用权减少 2291 万元，系由于本公司本年将原纳入合并报表范围子公司彩虹资讯的全部股权转让给母公司彩虹电子，彩虹资讯之土地使用权的转出使得本年无形资产-土地使用权减少。

本年末本公司用于向中国工商银行咸阳分行贷款抵押的无形资产为土地使用权，原值为 25,444,268.20 元，净值为 20,387,237.06 元。

## 12. 长期待摊费用

项目	2007 年 12 月 31 日	2006 年 12 月 31 日
租赁厂房改造费	0.00	515,254.42

## 13. 递延所得税资产

## (1) 已确认递延所得税资产

项目	2007 年 12 月 31 日	2006 年 12 月 31 日
可抵扣暂时性差异之所得税资产	0.00	463,038.86

## (2) 期末已确认递延所得税资产的暂时性差异项目

可抵扣暂时性差异项目	2007 年 12 月 31 日	2006 年 12 月 31 日
存货跌价准备	0.00	127,009.49
长期股权投资减值准备	0.00	673,956.00
辞退福利	0.00	2,285,960.29
合计	0.00	3,086,925.78
税率	-	15.00%
确认递延所得税资产	0.00	463,038.86

## (3) 期末未确认递延所得税资产的可抵扣项目

项目	2007 年 12 月 31 日	2006 年 12 月 31 日
可抵扣亏损	144,166,544.49	88,494,290.50
可抵扣暂时性差异	183,253,425.41	214,164,085.08
合计	327,419,969.90	302,658,375.58

## 14. 短期借款

借款类别	2007 年 12 月 31 日	2006 年 12 月 31 日
抵押借款	200,000,000.00	140,000,000.00
保证借款	50,000,000.00	160,000,000.00
质押借款	64,000,000.00	0.00
合计	314,000,000.00	300,000,000.00

(1) 抵押借款系以本公司净值 194,799,641.86 元(原值为 316,316,449.40 元)的固定资产/房屋建筑物和摊余价值 20,387,237.06 元(原值 25,444,268.20 元)的土地使用权作为抵押物向工商银行咸阳分行的借款;

(2) 保证借款系由彩虹集团为本公司向建设银行咸阳彩虹支行提供的连带担保借款;

(3) 质押借款中有 44,000,000.00 元系以本公司销售给客户的货款所产生的发票作为质押,并由彩虹集团提供保证向工商银行咸阳分行的借款, 20,000,000.00 元系未到期已贴现的应收票据;

(4) 2007 年短期借款年利率为 6.12%-7.6545%(2006 年度短期借款的年利率为 5.022%-6.12%)。

#### 15. 应付账款

(1) 应付账款 2007 年 12 月 31 日余额为 230,130,037.98 元(2006 年 12 月 31 日余额为 293,165,539.58 元)。

(2) 本年末应付款项中持有本公司 5%(含 5%)以上表决权股份的股东单位-彩虹电子的货款为 43,369,344.84 元。

(3) 期末应付账款账龄超过 1 年的数额为 10,008,082.67 元,主要原因是尚未结算完毕。

#### 16. 预收款项

(1) 预收款项 2007 年 12 月 31 日余额为 12,596,527.47 元(2006 年 12 月 31 日余额为 3,471,388.26 元), 期末预收款项余额比上期期末预收款项余额增加超过 30%的原因为预收客户的货款订金增加。

(2) 本年末预收款项中无欠持有本公司 5%(含 5%)以上表决权股份的股东单位或关联方的款项。

(3) 不存在账龄超过 1 年的大额预收款项。

#### 17. 应付职工薪酬

项目	2006年12月31日	本期增加额	本期支付额	2007年12月31日
工资(含奖金、津贴和补贴)	18,341,370.83	69,973,177.88	79,928,339.78	8,386,208.93
职工福利费	7,540,271.81	4,576,049.58	12,095,875.96	20,445.43
社会保险费	3,609,967.95	17,080,429.99	17,200,600.43	3,489,797.51
其中: 1.医疗保险费	17,549.38	4,331,048.79	4,348,598.17	0.00
2.基本养老保险费	3,592,760.82	10,270,455.29	10,329,974.61	3,533,241.50
3.失业保险费	-342.25	1,581,989.70	1,625,091.44	-43,443.99
4.工伤保险费	0.00	628,033.51	628,033.51	0.00
5.生育保险费	0.00	268,902.70	268,902.70	0.00
住房公积金	0.00	3,766,739.00	3,744,819.00	21,920.00
工会经费和职工教育经费	5,443,166.22	1,301,703.25	1,373,089.06	5,371,780.41
非货币性福利	0.00	0.00	0.00	0.00
因解除劳动关系给予的补偿	5,460,549.40	728,246.00	3,014,206.29	3,174,589.11
其中:以现金结算的股份支付	0.00	0.00	0.00	0.00
合计	40,395,326.21	97,426,345.70	117,356,930.52	20,464,741.39

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## 18. 应交税费

税种	适用税率	2007 年 12 月 31 日	2006 年 12 月 31 日
增值税	17.00%	-9,847,712.22	1,094,877.30
营业税	5.00%	8,341.52	11,445.00
城市维护建设税	7.00%	157,064.48	1,347,950.86
企业所得税	15.00%	0.00	-120,563.59
个人所得税	-	272,495.68	404,362.43
印花税	-	50,000.00	0.00
教育费附加	3.00%	283,412.88	1,793,792.74
水利建设基金	0.08%	313,998.88	262,690.72
合计		-8,762,398.78	4,794,555.46

## 19. 应付股利

应付股利 2007 年 12 月 31 日余额为 3,438,520.00 元（2006 年 12 月 31 日余额为 3,438,520.00 元），为本公司股东尚未领取的现金股利。

## 20. 其他应付款

## (1) 其他应付款明细表

项目	2007 年 12 月 31 日	2006 年 12 月 31 日
应付未付之运费	17,995,336.11	23,593,421.57
技术提成费	9,507,445.33	10,831,092.89
置换资产尾款	2,635,594.25	0.00
劳务工押金	2,121,094.86	924,307.45
职工社会保障金	1,666,462.10	2,225,163.73
商标使用费	1,631,893.00	1,885,733.26
其他	2,407,368.15	3,976,955.63
合计	37,965,193.80	43,436,674.53

(2) 本年末其他应付款中包含欠持有本公司 5%（含 5%）以上表决权股份的股东单位-彩虹电子的置换固定资产尾款 2,635,594.25 元。

(3) 本年其他应付款中，9,507,445.33 元为尚未支付的技术提成费。

## 21. 专项应付款

项目	2006年12月31日	本期增加	本期结转	2007年12月31日
数字电视用中分辨率 29" 显像管大生产技术研发	3,000,000.00	0.00	3,000,000.00	0.00

本年末专项应付款减少原因见本附注八、33 所述。

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## 22. 预计负债

项目	2006年12月31日	本期增加	本期结转	2007年12月31日	形成原因
三包损失	2,022,167.00	1,943,792.39	0.00	3,965,959.39	预计三包损失

## 23. 股本

每股面值人民币 1 元

股东名称/类别	2007年12月31日	2006年12月31日
<b>有限售条件股份</b>		
国有法人持股	179,678,125.00	217,173,184.00
<b>无限售条件股份</b>		
人民币普通股	241,470,675.00	203,975,616.00
<b>股份总额</b>	<b>421,148,800.00</b>	<b>421,148,800.00</b>

根据 2006 年 7 月 14 日国务院国有资产监督管理委员会《关于彩虹显示器件股份有限公司股权分置改革有关问题的批复》（国资产权[2006]805 号）及本公司 2006 年 7 月 18 日召开的股东会议审议批准的《彩虹显示器件股份有限公司股权分置改革方案的议案》，本公司于 2006 年 7 月 27 日实施了股权分置，全体非流通股股东以其持有的股票按其持股比例向流通股股东每 10 股送 4.2 股，总计对价股份为 60,330,816 股；实施股权分置后公司注册资本仍为人民币 421,148,800 元，彩虹电子持有本公司 180,675,565 股股份，占注册资本 42.90%。

根据上述文件的批准及《彩虹显示器件股份有限公司股权分置改革实施公告》，本公司有限售条件的流通股分别按下列时间可以流通：

可流通时间	可流通股份
自 2006 年 7 月 31 日起 12 个月后	53,193,908
自 2006 年 7 月 31 日起 24 个月后	21,057,440
自 2006 年 7 月 31 日起 36 个月后	142,921,836
<b>合计</b>	<b>217,173,184</b>

根据 2007 年 7 月 24 日本公司有限售条件的流通股的上市公告，原有限售条件的流通股 37,495,058 股（其中包含彩虹电子持有的限售股份 21,057,440 股）于 2007 年 7 月 31 日解除限售上市流通。

2007 年西安飞机工业(集团)有限责任公司等 9 家有限售条件的流通股股东分别与彩虹电子签订了《关于偿付股权分置改革对价的协议》，向彩虹电子偿还了代垫股份合计 1,791,419 股，并已办理完成股权过户手续；另 2007 年彩虹电子出售本公司股份 8,277,440 股，至 2007 年末，彩虹电子持有本公司股份 174,189,544 股，占注册资本 41.36%。



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## 24. 资本公积

项目	2006年12月31日	本年增加	本年减少	2007年12月31日
股本溢价	628,339,133.97	0.00	0.00	628,339,133.97
其他资本公积	8,189,431.70	70,811,191.82	0.00	79,000,623.52
合计	636,528,565.67	70,811,191.82	0.00	707,339,757.49

资本公积增加系本公司和母公司彩虹电子进行资产置换时按照《企业会计准则第 20 号—企业合并》的规定，对同一控制下业务合并中置换资产交易价格与账面价值之间的差额计入资本公积所致。

## 25. 盈余公积

项目	2006年12月31日	本年增加	本年减少	2007年12月31日
法定盈余公积	227,022,296.24	0.00	0.00	227,022,296.24

## 26. 未分配利润

## (1) 利润分配比例

项目	分配基础	2007 年度	2006 年度
提取盈余公积金	净利润	0.00	1,854,831.81

## (2) 利润分配表

项目	2007 年度	2006 年度
期初未分配利润	100,782,761.24	85,811,132.70
加：期初未分配利润调整数	0.00	1,372,781.11
本年净利润	-27,486,120.42	14,424,511.52
其他	-101,419.43	0.00
减：少数股东损益	947,507.56	-1,029,167.72
提取盈余公积金	0.00	1,854,831.81
期末未分配利润	72,247,713.83	100,782,761.24
其中：拟分配现金股利	0.00	0.00

本公司于 2007 年执行新的企业会计准则，进行追溯调整导致 2006 年期初未分配利润增加 1,372,781.11 元，具体情况见本附注四所述。

## 27. 少数股东权益

子公司名称	少数股权比例	2007 年 12 月 31 日	2006 年 12 月 31 日
西安彩辉显示技术有限公司	10.00%	857,100.41	0.00
西安彩虹资讯有限公司	45.00%	0.00	67,782,176.47
合计		857,100.41	67,782,176.47

如本附注七所述，因本公司本年将子公司彩虹资讯转让，使得本年末少数股东权益大幅下降。

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## 28. 营业收入、营业成本

## (1) 营业收入

项目	2007 年度	2006 年度
主营业务收入	1,697,057,271.49	2,061,254,022.45
其他业务收入	8,638,824.23	5,785,871.05
合计	1,705,696,095.72	2,067,039,893.50
前 5 名客户销售额	1,170,692,917.98	1,415,491,822.00
所占比例	68.63%	68.48%

## (2) 营业成本

项目	2007 年度	2006 年度
主营业务成本	1,613,146,469.38	1,856,206,708.13
其他业务成本	2,745,457.11	1,045,429.70
合计	1,615,891,926.49	1,857,252,137.83

## (3) 主营业务收入成本—按产品/业务类别分类

项目	2007 年度	2006 年度
主营业务收入		
其中：彩色显像管	1,615,050,605.77	1,815,764,893.45
偏转线圈	82,006,665.72	245,489,129.00
合计	1,697,057,271.49	2,061,254,022.45
主营业务成本		
其中：彩色显像管	1,543,352,266.60	1,621,975,132.51
偏转线圈	69,794,202.78	234,231,575.62
合计	1,613,146,469.38	1,856,206,708.13
主营业务毛利		
其中：彩色显像管	71,698,339.17	193,789,760.94
偏转线圈	12,212,462.94	11,257,553.38
合计	83,910,802.11	205,047,314.32

## 29. 营业税金及附加

项目	计缴基数	计缴比例	2007 年度	2006 年度
营业税	流转税	5.00%	16,397.15	0.00
城市维护建设税	流转税	7.00%	1,618,668.49	2,830,422.12
教育费附加	流转税	3.00%	597,565.41	1,213,038.04
合计			2,232,631.05	4,043,460.16

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## 30. 财务费用

项目	2007 年度	2006 年度
利息支出	16,979,452.50	19,962,187.88
减：利息收入	944,749.09	1,692,175.40
加：汇兑损失	4,586,509.73	3,415,364.69
加：其他支出	-672,244.92	-2,936,361.28
合计	19,948,968.22	18,749,015.89

## 31. 资产减值损失

项目	2007 年度	2006 年度
坏账损失	74,391.18	508,427.49
存货跌价损失	6,595,015.29	-7,676,070.01
长期股权投资减值损失	0.00	673,956.00
固定资产减值损失	2,630,000.00	0.00
合计	9,299,406.47	-6,493,686.52

## 32. 投资收益

产生投资收益的来源	2007 年度	2006 年度
以成本法核算的被投资单位宣告分派的利润	565,873.23	0.00
年末调整的被投资单位所有者权益净增减的金额	-3,252,329.44	-56,592,679.80
股权投资转让收益	28,077,585.07	0.00
合计	25,391,128.86	-56,592,679.80

- (1) 本公司本年股权转让收益见本附注十四所述。
- (2) 本公司投资收益汇回不存在重大限制。

## 33. 营业外收入

项目	2007 年度	2006 年度
非流动资产处置利得	0.00	392,079.52
政府补助	3,000,000.00	584,990.85
其他	114,184.20	10,504.00
合计	3,114,184.20	987,574.37

本期政府补助为信息产业部电子发展基金管理办公室向本公司拨付的用于“数字电视用中分辨率 29”显像管大生产技术研发”的专项补助，已于 2007 年 5 月 17 日经过信息产业部验收，本公司将拨付资金自专项应付款转入营业外收入。

## 34. 营业外支出

项目	2007 年度	2006 年度
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非流动资产处置损失	29,178.81	329,333.59
公益性捐赠支出	0.00	2,000.00
其他	1,338,189.69	708.60
<b>合计</b>	<b>1,367,368.50</b>	<b>332,042.19</b>

## 35. 所得税费用

项目	2007 年度	2006 年度
当期所得税费用	679,883.01	1,650,823.84
递延所得税费用	-395,597.38	0.00
<b>合计</b>	<b>284,285.63</b>	<b>1,650,823.84</b>

## 36. 现金流量表

(1) 列示于现金流量表的现金和现金等价物包括:

项目	2007 年度	2006 年度
现金		
其中: 库存现金	16,586.84	6,697.17
可随时用于支付的银行存款	108,256,456.82	125,324,683.79
可随时用于支付的其他货币资金	16,0148.88	0.00
期末现金和现金等价物余额	108,433,192.54	125,331,380.96
其中: 母公司或集团内子公司使用受限制的现金和现金等价物	0.00	0.00

(2) 收到/支付的其他与经营/投资/筹资活动有关的现金

## 1) 收到的其他与经营活动有关的现金

项目	2007 年度	2006 年度
劳务工押金	164,200.00	417,800.00
运输风险金	450,000.00	800,000.00
备用金退回	671,637.49	0.00
代收个人交款	203,211.10	0.00
保险公司赔款	38,452.54	0.00
其他	286,357.03	209,172.00
<b>合计</b>	<b>1,813,858.16</b>	<b>1,426,972.00</b>

## 2) 支付的其他与经营活动有关的现金

项目	2007 年度	2006 年度
支付运输风险金	700,000.00	400,000.00
付劳务工押金	206,400.00	1,280,267.45
招待费用	1,238,360.64	1,067,579.97
差旅费	3,307,692.57	2,396,474.33
信息披露	394,228.00	404,300.00
律师费	354,980.00	0.00
审计费	1,318,894.00	130,000.00
商标费	1,885,733.26	1,097,865.26

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租赁费用	4,181,034.43	4,494,534.72
港杂费	1,684,968.69	976,214.09
商检费	184,667.00	197,114.11
仓储费	3,070,842.07	2,083,070.69
技术提成费	79,288.65	0.00
其他	1,592,677.13	14,196,584.38
<b>合计</b>	<b>20,199,766.44</b>	<b>28,724,005.00</b>

## 3) 收到的其他与投资活动有关的现金

项目	2007 年度	2006 年度
存款利息	1,016,853.16	0.00

## 4) 支付的其他与筹资活动有关的现金

项目	2007 年度	2006 年度
贴现利息	0.00	1,704,578.00

## (3) 合并现金流量表补充资料

项目	2007 年度	2006 年度
<b>1.将净利润调节为经营活动现金流量:</b>		
净利润	-27,486,120.42	14,424,511.52
加: 资产减值准备	9,299,406.47	-6,493,686.52
固定资产折旧	116,259,784.40	127,945,579.00
无形资产摊销	1,144,169.56	1,329,423.00
长期待摊费用摊销	88,329.36	251,327.00
处置固定资产、无形资产和其他长期资产的损失 (收益以“-”填列)	29,178.81	-62,745.93
固定资产报废损失 (收益以“-”填列)	0.00	0.00
公允价值变动损益 (收益以“-”填列)	0.00	0.00
财务费用 (收益以“-”填列)	17,153,594.39	19,974,588.00
投资损失 (收益以“-”填列)	-25,391,128.86	56,592,679.80
递延所得税资产的减少 (增加以“-”填列)	120,144.82	-120,144.82
递延所得税负债的增加 (减少以“-”填列)	0.00	0.00
存货的减少 (增加以“-”填列)	-87,247,846.13	-40,381,392.00
经营性应收项目的减少 (增加以“-”填列)	174,925,441.98	-115,536,657.28
经营性应付项目的增加 (减少以“-”填列)	-145,342,241.87	-15,390,805.72
其他	0.00	-3,173,344.84
经营活动产生的现金流量净额	33,552,712.51	39,359,331.21
<b>2.不涉及现金收支的重大投资和筹资活动:</b>		
债务转为资本	0.00	0.00
一年内到期的可转换公司债	0.00	0.00
融资租入固定资产	0.00	0.00
<b>3.现金及现金等价物净变动情况:</b>		
现金的期末余额	108,433,192.54	125,331,380.96
减: 现金的期初余额	125,331,380.96	191,156,909.75
加: 现金等价物的期末余额	0.00	0.00

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减：现金等价物的期初余额	0.00	0.00
现金及现金等价物净增加额	-16,898,188.42	-65,825,528.79

## (4) 当期取得或处置子公司及其他营业单位的有关信息

项目	2007 年度
处置子公司及其他营业单位的有关信息	
1. 处置子公司及其他营业单位的价格	201,932,348.46
2. 处置子公司及其他营业单位收到的现金和现金等价物	0.00
减：子公司及其他营业单位持有的现金和现金等价物	11,913,089.40
3. 处置子公司及其他营业单位收到的现金净额	-11,913,089.40
4. 处置子公司的净资产	152,444,412.44
流动资产	125,815,983.15
非流动资产	97,583,355.46
流动负债	70,954,926.17
非流动负债	0.00

## 九、母公司财务报表主要项目注释

## 1. 应收账款

## (1) 应收账款风险分类

项目	2007 年 12 月 31 日			2006 年 12 月 31 日		
	金额	比例	坏账准备	金额	比例	坏账准备
单项金额重大的应收账款	346,952,808.08	99.29%	298,144.68	304,264,683.03	99.66%	242,291.23
单项金额不重大但按信用风险特征组合后该组合的风险较大的应收账款	279,657.23	0.08%	279,657.23	280,143.43	0.09%	280,143.43
其他单项金额不重大的应收账款	2,216,883.94	0.63%	19,023.93	745,797.55	0.25%	0.00
合计	349,449,349.25	100.00%	596,825.84	305,290,624.01	100.00%	522,434.66

## (2) 应收账款账龄

项目	2007 年 12 月 31 日			2006 年 12 月 31 日		
	金额	比例	坏账准备	金额	比例	坏账准备
0-90 天	284,728,291.98	81.49%	0.00	108,523,067.62	35.55%	0.00
91-180 天	54,338,797.32	15.55%	0.00	188,020,477.96	61.59%	0.00
181-1 年	4,936,358.38	1.41%	49,363.59	4,526,388.00	1.48%	45,263.88
1-2 年	4,976,388.19	1.42%	248,819.40	3,940,547.00	1.29%	197,027.35
2-3 年	189,856.15	0.05%	18,985.62	0.00	0.00%	0.00
3-4 年	0.00	0.00%	0.00	280,143.43	0.09%	280,143.43
4-5 年	279,657.23	0.08%	279,657.23	0.00	0.00%	0.00
合计	349,449,349.25	100.00%	596,825.84	305,290,624.01	100.00%	522,434.66



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(3) 坏账准备的计提方法及比例参见本附注五、7。

(4) 期末应收账款中含应收持有本公司 5%以上表决权股份的彩虹电子款项 17,883,433.55 元

(5) 期末余额前五位的应收账款合计 212,584,877.15 元，占应收账款总额的 60.83%。账龄全部在 1 年以内。

(6) 期末余额中应收关联方款项合计 52,341,090.49 元，占应收账款总额的 14.98%。

(7) 应收账款中包括以下外币余额：

外币名称	2007 年 12 月 31 日			2006 年 12 月 31 日		
	原币	折算汇率	折合人民币	原币	折算汇率	折合人民币
美元	15,057,087.16	7.30	109,916,736.27	4,676,188.62	7.81	36,521,033.12

## 2. 其他应收款

### (1) 其他应收款风险分类

项目	2007 年 12 月 31 日			2006 年 12 月 31 日		
	金额	比例%	坏账准备	金额	比例%	坏账准备
单项金额重大的其他应收款	45,756,660.64	98.93%	1,750,000.00	1,750,000.00	77.49%	1,750,000.00
其他单项金额不重大的其他应收款	492,987.77	1.07%	0.00	508,214.13	22.51%	0.00
合计	46,249,648.41	100.00%	1,750,000.00	2,258,214.13	100.00%	1,750,000.00

### (2) 其他应收款账龄

项目	2007 年 12 月 31 日			2006 年 12 月 31 日		
	金额	比例%	坏账准备	金额	比例%	坏账准备
1 年以内	44,499,648.41	96.22%	0.00	508,214.13	22.51%	0.00
5 年以上	1,750,000.00	3.78%	1,750,000.00	1,750,000.00	77.49%	1,750,000.00
合计	46,249,648.41	100.00%	1,750,000.00	2,258,214.13	100.00%	1,750,000.00

(3) 坏账准备的计提方法及比例参见本附注五、7。

(4) 其他应收款期末余额较上年期末大幅度增加系由于本公司本期新增应收彩虹集团公司股权转让款 35,345,473.46 元所致，彩虹集团公司已于 2008 年 1 月将股权转让款归还本公司。

(5) 其他应收款中无持本公司 5%（含 5%）以上表决权股份的关联方。

(6) 期末余额前五位的其他应收款金额合计 45,756,660.64 元，占其他应收款总额的 98.93%。（其中一年以内的其他应收款为 44,006,660.64 元，五年以上的其他应收款为 1,750,000.00 元）

(7) 期末余额中应收关联方款项合计 35,346,366.78 元，占其他应收款总额的 76.43%。

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## 3. 长期股权投资

## (1) 长期股权投资

项目	2007 年 12 月 31 日	2006 年 12 月 31 日
按成本法核算长期股权投资	39,000,000.00	110,500,000.00
按权益法核算长期股权投资	0.00	106,928,164.41
<b>长期股权投资合计</b>	<b>39,000,000.00</b>	<b>217,428,164.41</b>
减：长期股权投资减值准备	5,940,000.00	5,940,000.00
<b>长期股权投资净值</b>	<b>33,060,000.00</b>	<b>211,488,164.41</b>

## (2) 按成本法、权益法

被投资单位名称	持股比例	初始金额	年初余额	本年增加	本年减少	年末余额	分得的现金红利
<b>成本法核算</b>							
彩辉显示技术	90.00%	9,000,000.00	9,000,000.00	0.00	0.00	9,000,000.00	-
彩虹资讯	55.00%	71,500,000.00	71,500,000.00	0.00	71,500,000.00	-	-
西部信托	5.01%	30,000,000.00	30,000,000.00	0.00	0.00	30,000,000.00	565,873.23
小计		110,500,000.00	110,500,000.00	0.00	71,500,000.00	39,000,000.00	565,873.23
<b>权益法核算</b>							
新纪元	41.67%	20,000,000.00	13,418,681.19	1,784,173.80	15,202,854.99	0.00	0.00
彩虹数码	49.00%	318,500,000.00	93,509,483.22	-5,036,503.20	88,472,980.02	0.00	0.00
小计		338,500,000.00	106,928,164.41	-3,252,329.40	103,675,835.01	0.00	0.00
<b>合计</b>		<b>449,000,000.00</b>	<b>217,428,164.41</b>	<b>-3,252,329.40</b>	<b>175,175,835.01</b>	<b>39,000,000.00</b>	<b>565,873.23</b>

## (3) 长期股权投资减值准备

被投资单位名称	2006 年 12 月 31 日	本期计提额	本期减少额		2007 年 12 月 31 日
			转回	其他转出	
西部信托投资有限公司	5,940,000.00	0.00	0.00	0.00	5,940,000.00

## 4. 营业收入、营业成本

## (1) 营业收入

项目	2007 年度	2006 年度
主营业务收入	1,631,847,319.09	1,885,733,262.20
其他业务收入	8,275,655.88	4,739,474.65
<b>合计</b>	<b>1,640,122,974.97</b>	<b>1,890,472,736.85</b>
前 5 名客户销售额	1,123,370,062.58	1,415,491,822.00
所占比例	68.49%	74.88%

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## (2) 营业成本

项目	2007 年度	2006 年度
主营业务成本	1,563,955,528.07	1,708,533,616.48
其他业务成本	2,745,457.11	509,244.89
合计	1,566,700,985.18	1,709,042,861.37

## (3) 主营业务收入成本—按产品/业务类别分类

项目	2007 年度	2006 年度
主营业务收入		
其中：彩色显像管	1,611,127,608.43	1,799,916,885.24
偏转线圈	20,719,710.66	85,816,376.96
合计	1,631,847,319.09	1,885,733,262.20
主营业务成本		
其中：彩色显像管	1,543,838,713.11	1,623,399,899.58
偏转线圈	20,116,814.96	85,133,716.90
合计	1,563,955,528.07	1,708,533,616.48
主营业务毛利		
其中：彩色显像管	67,288,895.32	176,516,985.66
偏转线圈	602,895.70	682,660.06
合计	67,891,791.02	177,199,645.72

## 5. 投资收益

产生投资收益的来源	2007 年度	2006 年度
以成本法核算的被投资单位宣告分派的利润	565,873.23	0.00
年末调整的被投资单位所有者权益净增减的金额	-3,252,329.44	-56,479,209.89
股权投资转让收益	40,610,603.77	0.00
合计	37,924,147.56	-56,479,209.89

## 十、关联方关系及其交易

## (一) 关联方关系

## 1. 存在控制关系的其他关联方

关联方名称	组织机构代码	注册地址	主营业务	与本公司关系	经济性质	法定代表人
彩虹集团公司	100018208	北京海淀区上地信息路 11 号	彩色显像管、显示管及其配套产品的制造与销售	最终控股公司	国有公司	邢道钦
彩虹集团电子股份有限公司	766306601	咸阳彩虹路 1 号	彩色显像管、显示管及其配套产品的制造与销售	母公司	股份公司	邢道钦
西安彩辉显示技术有限公司	775901963	西安凤城 12 路	生产、研发、销售彩色、黑白显像管及配套电子零部件	子公司	有限责任公司	张君华

## 2. 存在控制关系的子公司详见“附注七、企业合并及合并财务报表”所述。

## 3. 存在控制关系的其他关联方的注册资本及其变化

关联方名称	2006 年度	本年增加	本年减少	2007 年度
彩虹集团公司	1,000,000,000.00	0.00	0.00	1,000,000,000.00
彩虹集团电子股份有限公司	1,941,174,000.00	0.00	0.00	1,941,174,000.00
西安彩辉显示技术有限公司	10,000,000.00	0.00	0.00	10,000,000.00

## 4. 存在控制关系的其他关联方的所持股份及其变化

关联方名称	持股金额		持股比例	
	2007 年	2006 年	2007 年	2006 年
彩虹集团电子股份有限公司	17,419 万元	18,068 万元	41.36%	42.90%
西安彩虹资讯有限公司	0 万元	7,150 万元	0.00%	55.00%
西安彩辉显示技术有限公司	900 万元	900 万元	90.00%	90.00%

## 5. 不存在控制关系的关联方的性质

关联方名称	关联关系	与本公司关联交易内容
咸阳彩虹电子配件有限公司	同受母公司控制	采购原材料
昆山彩虹实业有限公司	同受母公司控制	采购原材料
珠海彩珠实业有限公司	同受母公司控制	采购原材料
陕西彩虹荧光材料有限公司	同受母公司控制	采购原材料
咸阳彩虹电子网板有限公司	同受母公司控制	采购原材料

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咸阳彩秦电子器件有限公司	同受母公司控制	采购原材料
咸阳彩虹数码显示有限公司	同受最终控股公司控制	采购原材料
彩虹彩色显像管总厂	同受最终控股公司控制	提供动力、能源
彩虹劳动服务公司	同受最终控股公司控制	采购原材料
陕西彩虹三产总公司	同受最终控股公司控制	提供劳务
西安广信电子有限公司	同受最终控股公司控制	设备采购
咸阳彩联包装材料有限公司	最终控股公司的参股公司	采购原材料
西安彩虹塑业有限责任公司	联营公司	采购原材料
咸阳彩虹电子材料有限责任公司	最终控股公司参股公司的子公司	采购原材料
咸阳彩虹胶带有限责任公司	最终控股公司参股公司的子公司	采购原材料

## (二) 关联交易

### 1. 定价政策

本公司从关联方购买原材料的价格在合理测算生产成本和利润率的基础上，并参考可比性市场价协商定价。本公司销售给关联方的产品按照彩管市场相关的市场供求状况和本公司或子公司的生产成本、合理利润等因素确定价格。

### 2. 采购物资

关联方名称	2007 年度		2006 年度	
	金额	比例	金额	比例
彩虹集团电子股份有限公司	625,802,889.86	40.97%	667,963,817.00	45.51%
西安彩虹资讯有限公司	144,228,411.12	9.44%	0.00	0.00%
彩虹彩色显像管总厂	140,254,010.20	9.18%	159,739,859.00	0.00%
咸阳彩虹电子配件有限公司	94,342,387.20	6.18%	103,727,203.00	7.07%
咸阳彩虹电子网版有限公司	58,876,230.59	3.85%	58,188,842.00	3.96%
彩虹集团劳动服务公司	33,937,774.97	2.22%	46,710,707.00	3.18%
彩虹集团三产总公司	33,072,001.83	2.17%	29,844,545.00	2.03%
陕西彩虹荧光材料有限公司	20,599,252.40	1.35%	22,874,277.00	1.56%
咸阳彩联包装材料有限公司	17,869,032.35	1.17%	14,888,972.00	1.01%
珠海彩珠实业有限公司	7,591,863.00	0.50%	7,877,902.00	0.54%
咸阳彩秦电子器件有限责任公司	5,197,979.01	0.34%	5,497,710.00	0.37%
昆山彩虹实业有限公司	2,480,460.72	0.16%	3,170,737.00	0.22%
咸阳彩虹胶带有限责任公司	2,299,571.79	0.15%	3,236,680.00	0.22%

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## 3. 销售货物

关联方名称	2007 年度		2006 年度	
	金额	比例	金额	比例
彩虹集团电子股份有限公司	77,137,781.25	4.58%	162,976,798.00	7.91%
彩虹电子配件有限公司	312,938.80	0.02%	0.00	0.00%
彩虹劳动服务公司	116,978.40	0.01%	0.00	0.00%

## 4. 接受担保/提供担保

2007 年 6 月 15 日, 本公司最终控股公司彩虹集团为本公司与建设银行咸阳彩虹支行 2007 年 6 月 15 日至 2008 年 6 月 14 日发生的借款提供保证担保, 主合同约定的最高授信额度为 50,000,000.00 元。

本公司最终控股股东彩虹集团为本公司短期借款提供担保。2007 年为本公司担保的短期借款金额为 50,000,000.00 元; 2006 年为本公司担保的短期借款金额为 160,000,000.00 元。

## 5. 租入资产

本公司及控股子公司彩虹资讯与最终控股公司彩虹集团签订了为期三年的可撤消的经营性租赁合同, 本公司须根据租赁协议分别按每年每平方米人民币 11 元支付土地使用权费, 以及每月每平方米人民币 9 元标准支付在咸阳使用彩虹集团楼宇的租金, 每年合计总金额 5,088,747 元。

本公司之子公司彩辉显示技术有限公司以经营租赁方式租入关联方西安彩瑞显示技术有限公司的房屋及土地使用权, 租赁期限为 2007 年 12 月 1 日至 2009 年 12 月 31 日, 每月应付租金合计 82,225.03 元。

## 6. 其他交易

本公司子公司彩辉显示技术有限公司于 11 月购买关联方西安彩瑞显示技术有限公司固定资产净值 8,361,041.72 元, 实际支付购买款 1,220,971.92 美元。

## 7. 资产置换

本年本公司为整合业务需要, 与母公司彩虹电子及最终控股公司彩虹集团进行了资产置换, 相关情况见本附注十四所述。

## (三) 关联方往来余额

关联方名称	科目名称	2007 年 12 月 31 日	2006 年 12 月 31 日
彩虹集团公司	其他应收款	35,345,473.46	0.00
彩虹集团公司	应付账款	0.00	160,000.00
彩虹集团公司	其他应付款	0.00	1,893,389.00
彩虹集团电子股份有限公司	应收账款	17,883,433.55	8,720,194.00
彩虹集团电子股份有限公司	应付账款	43,369,344.84	106,556,996.00
彩虹集团电子股份有限公司	其他应付款	2,745,869.96	40,122.00
彩虹彩色显像管总厂	应付账款	16,515,101.67	27,621,160.00



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彩虹集团劳动服务公司	应收账款	0.00	5,331,882.00
彩虹集团劳动服务公司	其他应收款	443.87	0.00
彩虹集团劳动服务公司	应付账款	9,766,929.82	501,012.00
彩虹集团劳动服务公司	其他应付款	810,278.18	0.00
彩虹集团三产总公司	应付账款	5,194,995.14	4,086,326.00
彩虹荧光材料有限公司	应收账款	0.00	2,428,134.00
昆山彩虹实业有限公司	应付账款	1,287,882.19	823,861.00
陕西彩虹荧光材料有限公司	其他应收款	379.25	0.00
陕西彩虹荧光材料有限公司	应付账款	1,668,956.33	0.00
深圳虹阳工贸公司	应付账款	21,919.48	0.00
西安彩虹塑业有限责任公司	应付账款	0.00	2,100,000.00
咸阳彩虹电子材料有限责任公司	应付账款	405,661.15	146,697.00
咸阳彩虹电子配件有限公司	其他应收款	70.20	0.00
咸阳彩虹电子配件有限公司	应付账款	17,821,367.52	9,578,918.00
咸阳彩虹电子网板有限公司	应付账款	7,053,293.07	9,228,591.00
咸阳彩虹胶带有责任公司	应付账款	883,064.12	331,858.00
咸阳彩联包装材料有限公司	应付账款	1,230,565.06	1,883,738.00
咸阳彩泰电子器件有限责任公司	应付账款	574,448.56	0.00
珠海彩珠实业有限公司	应付账款	5,504,685.96	5,587,080.00

## 十一、或有事项

### 1. 未决诉讼

2008 年 1 月本公司收到美国加州法院转发的 Crago 公司代表其公司以及原告集体（“集体”）提出的对 CRT 世界主要生产厂商的集体诉状，起诉包括本公司及本公司最终控股公司彩虹集团在内的被告自从 90 年代中期之后，CRT 行业面临着很大的经济压力，因为用户的喜好偏向了新兴技术，使该行业的利润有所缩水，对该行业的持续发展构成了威胁。为了稳住价格、提高利润率、延长 CRT 的市场寿命，共同联手串谋固定、提高、保持和稳定在美国市场销售 CRT 产品的价格协议。从 1995 年 1 月 1 日开始被告及其同谋达成一项协议，继续订立、联合、串通进行不合理的限制性贸易，违反了 Sherman 法则第一条（15U.S.C. 1）的规定，人为地降低或消除了在美国的竞争。原告提出的赔偿要求：从 1995 年 1 月 1 日开始 裁定原告和集体诉讼成员根据联邦反垄断法索回其所蒙受的损失，做出联合或几个对原告及集体诉讼成员有利，对被告不利的判决，依据此法索回的损失金额应为三倍；裁原告和集体诉讼成员收回本次诉讼的费用，包括合理的律师费；原告和集体诉讼成员得到合理与适当的其他及进一步的补偿。2007 年 11 月 26 日美国加州法院已经受理此案，尚未开始审理。

### 2. 其他或有事项

2007 年度，本公司已签订的国内发票融资业务合同如下：

合同号	对方单位名称	发票金额合计	融资金额	融资发放日	融资到期日	年利率
0030	四川长虹电器股份有限公司	55,068,290.55	44,000,000	2007 年 9 月 3 日	2008 年 1 月 2 日	6.21%
0064	TCL 王牌电器（惠州）有限公司	29,466,720	20,000,000	2007 年 12 月 25 日	2008 年 4 月 24 日	6.8985%
0065	TCL 显示器件股份有限公司	16,173,440	12,000,000	2007 年 12 月 25 日	2008 年 4 月 26 日	6.8985%
0066	TCL 王牌电器（惠州）有限公司	16,089,040	12,000,000	2007 年 12 月 25 日	2008 年 4 月 24 日	6.8985%

在 2007 年 12 月 31 日，0030 号合同已经执行完毕，本公司已将融资款归还银行，其余发票融资合同正在执行中。

以上应收账款涉及的供销合同、发票（票面实有金额 61,729,200 元）、运输单购货方验收凭证等原件已交工行咸阳分行保管，国内发票融资业务合同约定本公司与购货方约定应收账款以现金方式结算（如以非现金方式结算本公司应确保收到款项后划入银行指定账户），如发票融资到期日（包括银行宣布提前到期），约定的收款账户金额不足支付对应的融资本息的，银行可以在本公司任何账户中扣取相应的款项以清偿全部融资贷款本息及其他费用。由于应收账款现金收回时间具有不确定性，如在国内发票融资业务约定期限内无法足额收回，根据合同约定可能造成本公司现金流量的重大支出。

本公司最终控股公司彩虹集团和工行咸阳分行签订了最高保证合同，对本公司的这项借款合同再进行担保，即如本公司到期无法偿还银行借款，由彩虹集团负责偿还。

3. 除存在上述或有事项外，截止 2007 年 12 月 31 日，本公司无其他重大或有事项。

## 十二、承诺事项

### 1. 已签订的正在或准备履行的租赁合同及财务影响

本公司于 2007 年 12 月与彩虹集团公司签定有关房屋和土地使用权的经营租赁合同，有效期限为 2007 年 12 月至 2009 年 12 月，年租金支付额下表列示；双方同意本协议到期后若续展年租金确定为当时同类房屋市场公允租金价格的 95%。

于 2007 年 12 月 31 日(T)，本公司就房屋建筑物项目之可撤销经营租赁（可提前 3 个月通知终止）所需于下列期间承担款项如下：

期间	经营租赁
T+1 年	9,534,805.80
T+2 年	9,534,805.80
合计	19,069,611.60

2. 除存在上述承诺事项外，截止 2007 年 12 月 31 日，本公司无其他重大承诺事项。

## 十三、资产负债表日后事项

1. 如本附注十四、3 所述，本公司于 2008 年 1 月收到彩虹集团支付的转让子公司余款 35,345,473.46 元。

2. 如本附注十一、1 所述，本公司于 2008 年 1 月收到美国加州法院转发的 Crago 公司代表其公司以及原告集体（“集体”）提出的对 CRT 世界主要生产厂商的集体诉状。

#### 十四、其他重要事项

本公司以 2007 年 6 月 30 日为基准日进行了有关资产置换和股权转让事宜，涉及资产置换方：本公司、本公司母公司彩虹电子、本公司的最终控股公司彩虹集团，具体交易事项如下：

1、本公司将生产玻壳用设备（二玻璃厂）及所持有的子公司西安彩虹资讯有限公司（以下简称彩虹资讯）55%的股权和彩虹电子下属彩管一厂、CRT 技术中心及营销部相关资产进行置换。

本公司已将所持彩虹资讯 55%的股权于 2007 年 11 月 30 日转让给彩虹电子（2007 年 6 月 30 日至 2007 年 11 月 30 日的损益由新股东承担），股权评估价为 94,937,678.46 元，实际交易价格为 94,937,678.46 元，本公司账面价值为 84,033,018.70 元（包括 2007 年 1-6 月按权益法应确认的投资收益 12,533,018.33 元），处置差额 10,904,659.76 元计入当期损益；

按照《企业会计准则第 20 号—企业合并》准则对同一控制下企业合并的要求，本公司与彩虹电子分别作为置换资产换入方以换入置换资产 2007 年 6 月 30 日的评估价值作为交易价值，以对方账面价值做为入账价值，交易价值和账面净值的差额记入资本公积项目。置换资产实际置换完成日为 2007 年 11 月 30 日（置换资产在 6 月 30 日至 11 月 30 日之间正常计提的折旧或摊销，换入方应按照评估后的价值及剩余使用或摊销年限对原折旧或摊销金额进行调整），截止 2007 年 11 月 30 日，经补充评估，本公司置换出的二玻璃厂资产评估价值为 106,994,700.00 元（比 2007 年 6 月 30 日评估价值减少 9,031,800.00 元），实际交易价值为 106,994,700.00 元，账面价值为 31,905,775.34 元，差额 75,088,894.66 元计入本公司资本公积；本公司换入彩管一厂、CRT 技术中心及营销部相关资产的评估价值为 327,782,250.00 元，交易价格为 327,782,250.00 元，入账价值为 323,504,547.16 元，差额-4,277,702.84 元计入本公司资本公积，本公司资本公积合计增加 70,811,191.82 元。

2、本公司将参股公司西安新纪元俱乐部有限公司 41.67%股权、彩虹数码显示有限公司 49%股权于 2007 年 11 月 30 日转让给最终控股公司彩虹集团公司（2007 年 6 月 30 日至 2007 年 11 月 30 日的损益由新股东承担）。股权账面价值合计 103,675,834.97 元，评估价值 120,848,760.28 元，交易价格 120,848,760.28 元，交易价格与账面价值差额 17,172,925.31 元计入本公司当期损益。

3、本公司应收彩虹集团股权转让款 120,848,760.28 元中的 85,503,286.82 元已于 2007 年 12 月 31 日之前收到，余额 35,345,473.46 元于 2008 年 1 月收到。本公司应付彩虹电子资产置换及股权转让款净额 125,849,871.54 元，在 2007 年 12 月 31 日有 2,635,594.25 元尚未支付完毕。

4、本公司原持有彩虹数码 49%的股权于 2008 年 1 月 14 日工商变更登记完毕；原持有新纪元俱乐部的 41.67%股权于 2008 年 3 月 3 日工商登记变更完毕；原持有彩虹资讯 55%的股权于 2008 年 1 月 11 日工商登记变更完毕。

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## 十五、补充资料

## 1. 非经营性损益表

项目	2007 年度	2006 年度
以前年度计提各项减值准备转回	724,001.41	12,081,259.00
非流动资产处置损益	28,048,406.26	0.00
计入当期损益的政府补助	3,000,000.00	584,991.18
同一控制下企业合并产生的子公司期初至合并日的净损益	0.00	0.00
除上述各项外的其他营业外收支净额	-1,224,005.49	70,541.00
小计	30,548,402.18	12,736,791.18
所得税影响	0.00	0.00
<b>非经常性净损益合计</b>	<b>30,548,402.18</b>	<b>12,736,791.18</b>
其中：归属于母公司股东	30,643,704.71	10,262,712.76

## 2. 净资产收益率及每股收益

按照中国证监会《公开发行证券的公司信息披露编报规则第九号—净资产收益率和每股收益的计算及披露》的要求，本公司全面摊薄和加权平均计算的净资产收益率及每股收益如下：

## (1) 2007 年度

报告期利润	净资产收益率		每股收益	
	全面摊薄	加权平均	基本每股收益	稀释每股收益
归属于母公司股东的净利润	-1.99%	-2.06%	-0.07	-0.07
归属于母公司股东、扣除非经常性损益后的净利润	-4.14%	-4.29%	-0.14	-0.14

## (2) 2006 年度

报告期利润	净资产收益率		每股收益	
	全面摊薄	加权平均	基本每股收益	稀释每股收益
归属于母公司股东的净利润	1.12%	1.12%	0.04	0.04
归属于母公司股东、扣除非经常性损益后的净利润	0.37%	0.38%	0.01	0.01

## 3. 资产减值准备明细表

项目	2006 年 12 月 31 日	本期计提额	本期减少额		2007 年 12 月 31 日
			转回	其他转出	
坏账减值准备	2,272,434.66	74,391.18	0.00	0.00	2,346,825.84
存货减值准备	5,582,331.07	7,319,016.70	724,001.41	134,325.39	12,043,020.97
长期股权投资减值准备	6,613,956.00	0.00	0.00	673,956.00	5,940,000.00
固定资产减值准备	103,958,750.25	6,445,857.00	0.00	2,642,389.97	107,762,217.28
<b>合计</b>	<b>118,427,471.98</b>	<b>13,839,264.88</b>	<b>724,001.41</b>	<b>3,450,671.36</b>	<b>128,092,064.09</b>

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## 4. 备考合并利润表

(1) 假设本公司 2006 年度全面执行企业会计准则，以此为基础编制备考合并利润表：

项目	2006 年度
营业收入	2,067,039,893.50
减：营业成本	1,857,252,137.83
营业税金及附加	4,043,460.16
销售费用	77,592,062.51
管理费用	43,884,420.65
财务费用	18,749,015.89
资产减值损失	-6,493,686.52
加：公允价值变动收益	0.00
投资收益	-56,592,679.80
营业利润	15,419,803.18
加：营业外收入	987,574.37
减：营业外支出	332,042.19
利润总额	16,075,335.36
减：所得税费用	1,650,823.84
少数股东收益	-1,029,167.72
归属于母公司净利润	15,453,679.24

(2) 备考合并利润表与原合并利润表之净利润差异：

项目	2006 年度
原合并利润表之净利润金额	19,762,298.79
差异调整：	
营业成本	3,336,384.03
销售费用	89,389.79
管理费用	-16,053,965.74
资产减值损失	6,493,686.52
投资收益	673,956.00
所得税费用	224,086.43
少数股东损益	-101,324.30
差异调整小计	-5,337,787.27
备考合并利润表之净利润金额	14,424,511.52

## 5. 新旧会计准则股东权益差异调节表对比披露表

编号	项目名称	2007 年报 披露数	2006 年报 原披露数	差异合计
	<b>2006 年 12 月 31 日股东权益</b>	1,389,659,617.76	1,389,659,617.76	0.00
(1)	符合预计负债确认条件的辞退补偿	-5,460,549.40	0.00	-5,460,549.40
(2)	所得税	463,038.86	0.00	463,038.86
(3)	少数股东权益作为股东权益列报	68,602,492.40	68,602,492.40	0.00
	<b>2007 年 1 月 1 日股东权益</b>	1,453,264,599.62	1,458,262,110.16	-4,997,510.14

(1) 2007 年 4 月 30 日财政部会计准则委员会颁布了《企业会计准则实施问题专家工作组意见》，该意见明确企业如有实施的职工内部退休计划，符合辞退福利计划确认预计负债条件的，比照辞退福利处理。依据该规定，本公司将符合预计负债确认条件的自内退职工停止提供服务日至正常退休日期间拟支付的工资和缴纳的社会保险费等 5,460,549.40 元，确认为应付职工薪酬。

(2) 由于 (1) 事项的影响，按照 2006 年度适用的 15% 企业所得税率，对所得税进行追溯调整，累计影响调增所得税费用 463,038.86 元。

## 十六、财务报告批准

本财务报告于二〇〇八年四月二十三日由本公司董事会批准报出。

## 十二、备查文件目录

- 1、载有法定代表人、主管会计工作负责人、会计机构负责人签名并盖章的财务报表。
- 2、载有会计师事务所盖章、注册会计师签名并盖章的审计报告原件。
- 3、报告期内在中国证监会指定报纸上公开披露过的所有公司文件的正本及公告的原稿。

董事长(签名)：邢道钦

彩虹显示器件股份有限公司董事会  
二〇〇八年四月二十三日



# Exhibit 3



June 25, 2018

**Certification**

**Park IP Translations**

This is to certify that the attached translation is, to the best of my knowledge and belief, a true and accurate translation from Chinese into English of the document with bates numbers range: IRI-CRT-00000489 - IRI-CRT-00000502.

Hanna Kang

Project Manager

Project Number: BBLP\_1806\_007

15 W. 37th Street 8th Floor  
New York, NY 10018  
212.581.8870  
ParkIP.com

Regulations for the Implementation of the Audit Law of the People's Republic of China  
(Promulgated by Decree No. 231 of the State Council of the People's Republic of China on October 21, 1997 and amended and adopted at the 100<sup>th</sup> Executive Meeting of the State Council on February 2, 2010)

Chapter I General Provisions

Article 1 These Regulations are formulated in accordance with the provisions of the Audit Law of the People's Republic of China (hereinafter referred to as the Audit Law).

Article 2 As used in the Audit Law, an audit constitutes an act of independent inspection of an auditee by an audit institution in accordance with law of the former's accounting vouchers, account books, accounting statements as well as relevant information and assets of budgetary revenues and expenditures and financial revenues and expenditures and supervision regarding the truthfulness, legitimacy and benefits of budgetary revenues and expenditures and financial revenues and expenditures.

Article 3 As used in the Audit Law, financial revenues and expenditures mean revenues and expenditures integrated in budget management as well as the following revenues and expenditures of extra-budgetary funds pursuant to the provisions of the Budget Law of the People's Republic of China and other relevant provisions of the state:

- (1) Administrative fees;
- (2) Revenues from State-owned resources and State-owned assets;
- (3) Operating income from State-owned capital that should be turned in;
- (4) Funds from debt borrowed by the government; and
- (5) Other financial funds not integrated in budgetary management.

Article 4 As used in the Audit Law, financial revenues and expenditures mean the revenues and expenditures of State-owned financial institutions, enterprises, institutions and other units which, as required by the provisions of State financial and accounting systems, which shall be subject to accounting.

Article 5 Audit institutions shall, pursuant to the functions and responsibilities, limits of authority and procedures prescribed by the Audit Law and these Regulations as well as other relevant laws and regulations, exercise supervision through auditing.

Audit institutions shall base their audit assessment, handling of cases and penalties on laws, regulations and other relevant state provisions on budgetary revenues and expenditures and financial revenues and expenditures.

Audit institutions shall, in accordance with the relevant financial revenues and expenditures, laws and regulations governing financial revenues and expenditures as well as relevant state policies, standards and project goals, etc., render auditing evaluations and make decisions on handling and penalties within the

scope of the legally mandated duties with respect to the financial revenues and expenditures and financial revenue and expenditure actions of auditee units that violate applicable state provisions.

Article 6 Any organization and individual shall have the right to report to audit institutions regarding organizations that are subject to audits and supervision of audit institutions in accordance with law and that have engaged in financial revenues and expenditures and financial revenue and expenditure actions that violate applicable State provisions. Upon receipt of such a report, audit institutions shall handle such a case in a timely manner and in accordance with law.

## Chapter II Audit Institutions and Auditors

Article 7 The National Audit Administration shall, under the leadership of the Premier of the State Council, take charge of the audit work throughout the country and perform the functions and responsibilities prescribed by the Audit Law and the State Council.

Local audit institutions at all levels shall, under the leadership of the administrative leader of the people's governments at the corresponding level and the audit institution at the next higher level, be responsible for the audit work within their respective administrative areas and perform the functions and responsibilities prescribed by laws, regulations and the people's government at the corresponding level.

Article 8 Where the people's governments of provinces and autonomous regions have agencies, the audit institutions of such agencies shall be responsible to report their work to the parent agencies and audit institutions of the people's governments of provinces and autonomous regions. Audit business shall be mainly directed by the leadership of the audit institutions of the people's governments of provinces and autonomous regions.

Article 9 Agencies of audit institutions shall, pursuant to laws and regulations and the provisions of audit institutions, conduct audit work within the scope of authority granted by audit institutions and shall be free from interference from other administrative institutions, social groups and individuals.

Article 10 The basis for the compilation of draft budgets for annual expenses by audit institutions necessary for the performance of functions and responsibilities is as follows:

- (1) laws and regulations;
- (2) decisions and requirements of the people's government at the corresponding level;
- (3) functions, responsibilities, missions and plans of the audit institution;
- (4) standards for staffing quotas; and
- (5) budget implementation of the preceding year and variable factors in the current year.

Article 11 The system of technical qualifications of the auditing specialty for auditors shall be practiced. Specific measures shall be observed in accordance with the relevant state provisions.

Audit institutions may, as required by work, appoint persons with related professional knowledge with respect to audit matters to participate in audit work.

Article 12 In handling audit matters, when auditors encounter any of the following circumstances, they shall apply for recusal; the auditees shall also have the right to file applications for recusal by the auditors:

- (1) having a husband-and-wife relationship, direct blood relationship, collateral relationship by blood in three generations or close relationship by marriage with the responsible person or other persons in charge concerning the auditee;
- (2) having relations of economic interest with the auditee or the audit matters; and
- (3) having other relations of interest with the auditee or the audit items which may adversely affect fair performance of official duties.

Recusal by auditors shall be decided by the responsible person of an audit institution; recusal of the responsible person of an audit institution shall be decided by the people's government at the corresponding level or the responsible person of the audit institution at the next higher level.

Article 13 In the appointment and removal of persons in charge and their deputies of local audit institutions at all levels, the views of the audit institution at the next higher level shall be sought in advance.

Article 14 Persons in charge of audit institutions not having any of the following circumstances during the tenure of office shall not be removed or replaced at random:

- (1) being pursued in criminal responsibility for crime;
- (2) having been given administrative sanctions for serious violation of law or dereliction of duty and being no longer suitable for the position of the person-in-charge of an audit institution;
- (3) failure to perform duties for more than one year due to health reasons; and
- (4) failure to meet other requirements of the position prescribed by the State.

### Chapter III Functions and Responsibilities of Audit Institutions

Article 15 Audit institutions shall exercise supervision through auditing over State organs, armed forces units, political parties and organizations and social groups having direct relations of budget turnover and allocations with the finance department of the people's government at the corresponding level in accordance with law, and exercise supervision through auditing over enterprises and institutions having direct relations of budget turnover and allocations with the finance department of the people's government at the corresponding level in accordance with law.

Article 16 Items in the implementation of budgetary revenues and expenditures at the corresponding level subject to supervision and audits by audit institutions shall include:

- (1) information regarding the official replies to budgets of various departments at the corresponding levels given by the finance departments of people's governments at all levels (including direct subordinate units) pursuant to the approved budget of the same level by the people's congresses at the same level, adjustments and changes in budgetary revenues and expenditures in the process of implementation of the budget at the same level;
- (2) information regarding collection of budgetary revenues by collection departments of budgetary revenues pursuant to laws, administrative regulations and other relevant State provisions;
- (3) information regarding the allocation of funds for budgetary expenditures of the corresponding levels by the finance departments pursuant to the approved annual budgets and financial outlay plans, budget grades and procedures;
- (4) information regarding the funds allocated between governments and managed by the finance departments pursuant to the provisions of laws and regulations and the financial management system and on final settlements and turnovers;
- (5) information regarding the handling of collection, delimitation and retention of budgetary revenues and allocation of budgetary expenditures by state treasuries pursuant to relevant State provisions;
- (6) information regarding the implementation of annual budgets by all departments at the same level (including direct subordinate units);
- (7) information regarding revenues and expenditures of budgeted funds under special-purpose fund management pursuant to relevant State provisions; and
- (8) other matters in budget implementation prescribed by laws and regulations.

Article 17 As used in the Audit Law, the report on audit results prepared by the audit institution on budget implementation at the corresponding level shall contain the following contents:

- (1) basic information regarding budget implementation and other financial revenues and expenditures at the corresponding level;
- (2) audit assessment of budget implementation and other financial revenues and expenditures at the corresponding level by the audit institution;
- (3) problems existing in budget implementation and other financial revenues and expenditures at the corresponding level and measures taken by the audit institution in accordance with law;
- (4) suggestions put forth by the audit institution for improving the work of budget implementation and other financial revenue and expenditure management work at the corresponding level; and
- (5) other information the report of which is required by the government at the corresponding level.

Article 18 The National Audit Administration shall exercise supervision through auditing in accordance with law over all financial revenues and expenditures of the central bank and its branches in the performance of their functions and responsibilities.

The report on audit results of central budget implementation and other financial revenues and expenditures submitted by the National Audit Administration to the Premier of the State Council shall include information regarding an audit of the financial revenues and expenditures of the central bank.

Article 19 As used in Article 21 of the Audit Law, an enterprise or financial institution where State-owned capital is in a controlling position or dominant position shall include:

- (1) Where State-owned capital makes up more than 50% of the total capital (shares) of such an enterprise or financial institution;
- (2) Where State-owned capital makes up less than 50% of the total capital (shares) of such an enterprise or financial institution, but the investment bodies of State-owned capital has actual control.

Unless otherwise provided by the State Council, audit institutions shall exercise supervision through auditing over the enterprises and financial institutions described in the preceding provision, pursuant to the provisions of Clause 2 of Article 18 and Article 20 of the Audit Law.

Article 20 As used in Article 22 of the Audit Law, State construction projects with government investments and mainly government investments shall include:

- (1) those that entirely use financial funds, such as investment funds within budget, special construction funds and funds raised by the government through debt; and
- (2) those that do not entirely use financial funds, where the percentage of financial funds makes up more than 50% of the total investment in such projects, or where the percentage is less than 50% of the total investment in such projects, but the government has actual control over project construction and operations.

Audit institutions shall supervise through auditing implementation of the total budget or estimates of the construction projects described in the preceding provision, implementation of the annual budget and final annual accounts, single final project accounts and final project accounts upon completion pursuant to law; when performing an audit of the construction projects described in the preceding provision, an investigation may be launched into the truthfulness and legitimacy of the construction funds obtained by directly related design, construction and supply units, etc.

Article 21 As used in Article 23 of the Audit Law, social security funds shall include social insurance, social relief funds and social welfare funds, as well as other special funds for the development of the cause of social security; as here used, funds donated shall include money, marketable securities and articles in kind from domestic and overseas donors.



Article 22 As used in Article 24 of the Audit Law, items of assistance and loans of international organizations and foreign governments shall include:

- (1) items of loans provided by international financial institutions, foreign governments and their institutions to the Chinese government and its institutions;
- (2) items of loans provided by international organizations, foreign governments and their institutions to Chinese enterprises and institutions and guaranteed by the Chinese government and its institutions;
- (3) items of assistance and grants provided by international organizations, foreign governments and their institutions to the Chinese government;
- (4) items of assistance and grants provided by international organizations, foreign governments and their institutions to organizations entrusted by the Chinese government to administer the relevant foundation funds; and
- (5) other items utilizing the assistance and loans of international organizations and foreign governments.

Article 23 Audit institutions may, in accordance with the audit procedures and methods provided by Audit Law and these Regulations as well as other relevant provisions of the state, conduct special-purpose audit investigations into the relevant localities, departments and the units, with respect to specific matters related to states financial revenues and expenditures, such as budget management or management and use of State-owned assets, etc.

Article 24 Audit institutions shall, in accordance with the relations of budgetary and financial subordination of the auditees, determine the scope of audit jurisdiction; where the scope of audit jurisdiction cannot be determined in accordance with the relations of budgetary and financial subordination, the scope of audit jurisdiction shall be determined in accordance with the relations of supervision and administration of the State-owned assets.

Audit institutions with audit jurisdiction over the chief investment body shall exercise supervision through auditing of enterprises and institutions with investment by two or more investment bodies of State-owned assets.

Article 25 Audit institutions shall, in accordance with the determined scope of audit jurisdiction, exercise supervision through auditing and conduct special-purpose audit investigations.

Article 26 The internal audit work of units that are subject to the supervision of audit institutions in accordance with law shall accept the business guidance and supervision of audit institutions.

Units that are subject to the supervision of audit institutions in accordance with law may, based on the need for internal audit work, participate in internal audit self-discipline organizations set up in accordance with law. Through such internal audit self-discipline organizations, audit institutions may enhance the business guidance and supervision of internal audit work.

Article 27 When conducting audits or special-purpose audit investigations, audit institutions shall have the right to perform verifications of the relevant audit reports issued by social audit institutions.

When verifying the relevant audit reports issued by a social audit institution, in the event that an audit institution finds that such a social audit institution has violated laws and regulations or the industry code of conduct, it shall refer such a social institution to competent authorities in charge to pursue its responsibility.

#### Chapter IV Limits of Authority of Audit Institutions

Article 28 In the process of the exercise of supervision through auditing by audit institutions in accordance with law, the auditees shall, in accordance with the provisions of Article 31 of the Audit Law, provide the audit institutions with the relevant information and material on budgetary revenues and expenditures or financial revenues and expenditures. The persons in charge of such auditees shall make a written promise with respect to the truthfulness and completeness of the materials provided by their own units.

Article 29 Finance departments, taxation departments and other departments of people's governments at all levels (including their direct subordinate units) shall submit the following information to the audit institutions at the corresponding levels:

(1) budgets of the corresponding levels approved by people's congresses at the corresponding levels, budgets of all departments (including their direct subordinate units) of the corresponding levels approved by the finance departments of people's governments at the corresponding levels, annual revenue plans of budget revenue collection departments as well as budgets of all subordinate units approved by all departments (including their direct subordinate units) at the corresponding levels;

(2) monthly statements, yearly statements and final accounts on the implementation of budget revenues and expenditures and the fulfillment of revenue plans of budget revenue collection departments at the corresponding levels;

(3) comprehensive yearly statistical statements on finance and taxation work, briefings, and rules and regulations relating to finance, budget, taxation, fiscal matters and accounting; and

(4) draft final accounts of departments (including their direct subordinate units) compiled in summary by all departments at the corresponding levels.

Article 30 Audit institutions shall, in inquiring about the account of an auditee with a financial institution in accordance with the provisions of Article 33 of the Audit Law, present an inquiry notice signed and issued by persons in charge of the audit institutions at and above the county level to request assistance in inquiring about such an account; when an inquiry is being made about the deposit of an auditee made in a personal name with a financial institution, an inquiry notice signed and issued by the principal persons in charge of the audit institutions at and above the county level to request assistance in inquiring about such an individual account. The relevant financial institution shall provide assistance and evidentiary materials. The audit institutions and auditors shall have an obligation to maintain confidentiality.

Article 31 As used in Article 34 of the Audit Law, assets acquired in contravention of relevant State provisions shall include:

- (1) financial allocations, articles acquired and loans from financial institutions acquired through fraud or cheating;
- (2) assets acquired through enjoyment of such preferential policies as State subsidy, assistance, premium, interest exemption, tax reduction, tax exemption and tax refund in contravention of State provisions;
- (3) money, marketable securities and articles in kind collected from other persons in contravention of State provisions;
- (4) benefits acquired through disposing of State-owned assets in contravention of State provisions; and
- (5) other assets acquired in contravention of State provisions.

Article 32 When in accordance with the provisions of Article 34 of the Audit Law, audit institutions seal up the relevant materials of an auditee and assets acquired in contravention of relevant State provisions, it shall present a seal-up notice signed and issued by the persons in charge of the audit institutions at and above the county people's government level, and shall lift such a seal after collecting evidentiary materials related to the audited items or after adopting other measures in accordance with law. The duration of such a seal shall be no more than seven days; in the event that an extension is needed in special circumstances, upon approval by the persons in charge of the audit institutions at and above the county people's government level, it may be extended as appropriate, provided that the extended period shall not exceed seven days. With respect to the materials and assets being sealed up, audit institutions may designate the auditee to be responsible for their upkeep. Such an auditee shall not damage or move them without authorization.

Article 33 Audit institutions may, in relation to audit matters, issue circulars about the results of their audits and special-purpose audit investigations to the relevant government departments or to the public. Audit institutions may, after consultation with the competent authorities in charge, also release the results of verification of the relevant audit report of a social audit institution in the results of audits and special-purpose audit investigations released to the public.

In the event that an audit institution proposes to release the public the results of an audit and special-purpose audit investigation into a publicly listed company, it shall notify such a publicly listed company of the contents proposed for release 5 days in advance.

## Chapter V Audit Procedures

Article 34 Audit institutions shall, in pursuance of the provisions of laws, regulations and other relevant State provisions and requirements of the people's government at the corresponding level and the audit institution at the next higher level, determine the priorities of the yearly audit work and compile an annual plan of audit items.

When an audit institution decides to perform an audit of an enterprise and financial institution where State-owned capital is in a controlling position or dominant position in its annual plan of audit items, it shall notify the enterprise and financial institution listed in the annual plan of audit items within 7 days of its decision.

Article 35 Audit institutions shall, in accordance with their annual plan of audit items, set up audit teams to investigate the relevant situation of the auditee, prepare an audit plan and shall send a notice of audit to the auditee 3 days prior to the performance of such an audit.

Article 36 As used in Article 38 of the Audit Law, special circumstances shall include:

- (1) dealing with emergency matters;
- (2) an auditee is suspected of being involved in a serious violation of laws and regulations; and
- (3) other special circumstances.

Article 37 Auditors shall follow the following provisions when performing an audit:

- (1) perform an audit by methods such as an examination, an inquiry, a supervised inventory taking or sending a letter of inquiry, etc.;
- (2) obtain evidentiary materials by methods such as collecting original documents, original items or by reproduction or photography, etc.;
- (3) keeping records of the contents of meetings and conversations related to audited items or requiring that the auditee provide materials meeting minutes;
- (4) record the audit performance process and results of verifications.

Article 38 The evidentiary material obtained by auditors from investigations among units and individuals concerned should have the signatures or seals of the providers; in the event that such signatures or seals are not available from the providers, auditors should annotate the reasons thereon.

Article 39 Prior to the submission of audit reports to audit institutions, audit teams shall seek the views of the auditees in writing. The auditees should, within ten days from the date of receipt of the audit reports, submit their views in writing. Failure to submit views in writing within ten days from the date of receipt of the audit reports shall be construed as having no objection.

Audit teams should examine the views of the auditees regarding the audit reports, further verify the information, make necessary revision in the audit reports on the basis of the verified information and submit the audit reports and the views of the auditees in writing to audit institutions.

Article 40 Upon reverification by special organs or personnel of audit institutions, the audit reports submitted by audit teams shall be finalized through examination by audit institutions and handled in accordance with the following provisions:

(1) Submit the audit reports of the audit institutions, whose contents shall include: an audit assessment of the audited items, the handling and penalty opinions with regard to acts of budgetary revenues and expenditures and financial revenues and expenditures, opinions to refer to competent authorities and units in charge and opinions to improve management work of budgetary revenues and expenditures and financial revenues and expenditures;

(2) With regard to those having acts of budgetary revenues and expenditures and financial revenues and expenditures in violation of State provisions which call for handling and penalties in accordance with law, audit decisions on the handling and penalties shall be made within the scope of legal authority;

(3) Where the responsibility of relevant personnel should be perceived in accordance with law, submit suggestions to competent authorities and units in charge to impose penalties; in case such persons should be subject to handling and penalties by competent authorities in charge, refer them to competent authorities in charge; in case such personnel are suspected of being involved in crimes, refer them to judicial organs.

Article 41 Audit institutions shall report to the people's governments at the corresponding level and the audit institutions at the next higher level when encountering matters infringing upon State interests or the public interest of society, where the basis of handling and penalties is not explicitly defined.

Article 42 Auditees shall execute the audit decisions in compliance with the deadlines and requirements specified by audit institutions. Where funds should be turned in, auditees shall pay them into the treasury or special financial accounts pursuant to the finance management system and the relevant state provisions. Where assistance with the execution of audit decisions is required from competent authorities or units in charge, audit institutions shall request such assistance with execution in writing.

Article 43 Audit institutions at a higher level shall supervise the audit business of audit institutions at a lower level in accordance with law.

Where audit decisions made by audit institutions at a lower level violate relevant State provisions, audit institutions at a higher level may cause audit institutions at a lower level to change or rescind them or may directly make a decision to change or rescind them; where after an audit decision is rescinded and an audit decision needs to be remade, audit institutions at a higher level may cause audit institutions at a lower level to remake an audit decision within a prescribed timeframe or may directly make an audit decision.

Where audit institutions at a lower level should fail to make an audit decision, audit institutions at a higher level may cause audit institutions at a lower level to remake an audit decision within a prescribed timeframe or may directly make an audit decision.

Article 44 When audit institutions conduct a special-purpose audit investigation, it shall present a written notice to conduct a special-purpose audit investigation into the locality, department and unit being investigated and explain the relevant circumstances; the relevant locality, department and unit should accept such investigation, truthfully report the circumstances and provide the relevant materials.

During a special-purpose audit investigation, in the event that the department and unit subject to supervision by audit institutions through audit have engaged in acts of budgetary revenues and expenditures and financial revenues and expenditures in violation of State provisions or have engaged in any other act in violation of laws and regulations, special purpose audit investigators and audit institutions may submit an audit report in accordance with the provisions of the Audit Law and these Regulations, make an audit decision or refer them to the competent authorities and units in charge to pursue their responsibility in accordance with law.

Article 45 Audit institutions shall establish and perfect the audit archive system pursuant to relevant State provisions.

Article 46 When audit institutions serve audit documents, they may be directly served or served by mail or in another manner. In the event that they are directly served, the date of receipt signed on the return of service by the auditee or the date of receipt certified by a witness shall be the date of service; in the event that they are served by mail, the date of receipt on the confirmation of receipt of mail shall be the date of service; in the event that they are served in another manner, the date of signature for receipt or date of receipt shall be the date of service.

The types, contents and formats of audit documents from audit institutions shall be specified by the National Audit Administration.

#### Chapter VI Legal Liability

Article 47 If an auditee, in violation of the provisions of the Audit Law and these Regulations, refuses or delays provision of information relating to audit matters, or the information provided thereby is untruthful and incomplete, or refuses and hinders examination, the audit institution shall order a rectification and may mete out criticism in a circular and administer a warning; where the auditee refuses to make a rectification, a fine of less than RMB 50,000 yuan may be imposed thereon. The person in charge with direct responsibility and other personnel with direct responsibility may be subject to a fine of less than RMB 20,000 yuan. Where an audit institution believes that a penalty is warranted, it shall make a suggestion to the competent authorities and units in charge for imposing a penalty; where a crime has been committed, criminal responsibility shall be pursued in accordance with law.

Article 48 Audit institutions shall, upon discovery of acts by various departments (including their direct subordinate units) at the corresponding level and people's governments at a lower level in violation of the budget or other budgetary financial revenue and expenditure acts in violation of state provisions, take handling measures within their legal authority as prescribed in Article 45 of the Audit Law in accordance with the provisions of laws and administrative regulations after differentiating between the circumstances.

Article 49 With respect to the financial revenue and expenditure acts of an auditee in violation of State provisions, audit institutions shall take handling measures within their legal authority as prescribed in Article 45 of the Audit Law after differentiating between the circumstances and may mete out criticism in a circular and administer a warning; in the event that any illegal income has been made, such illegal income shall be forfeited and a fine more than one times but less than five times of the illegal income shall be imposed; in the event that no such illegal income has been made, a fine of less than RMB 50,000 yuan may be imposed; a fine of less than RMB 20,000 yuan may be imposed on persons in charge with direct responsibility and other personnel with direct responsibility. Where audit institutions believe that a penalty is warranted, it shall make a suggestion to the competent authorities and units in charge for imposing a penalty; where a crime has been committed, criminal responsibility shall be pursued in accordance with law. In the event that laws and administrative regulations have other provisions with respect to the handling and penalty for budgetary financial revenue and service acts of an auditee in violation of State provisions, such provisions shall prevail.

Article 50 When audit institutions make a penalty decision with a large fine, they shall make notification that the auditee and the relevant personnel have the right to request a hearing. The specific standards for a large fine shall be specified by the National Audit Administration.

Article 51 With respect to suggestions for handling and penalizing the auditees put forward by audit institutions or suggestions for the imposition of administrative sanctions or disciplinary penalties on persons in charge held directly responsible or other persons directly responsible of the auditees, the competent authorities and the units in charge shall make a timely decision in accordance with law and notify the audit institutions of the results in writing.

Article 52 In the event that an auditee does not agree with an audit decision made by an audit when performing supervision through audit in accordance with the provisions of Article 16 and Article 17 of the Audit Law and Article 15 of these Regulations, within 60 days from the date of service of the audit decision, it may request a ruling by the people's government at the corresponding level. The ruling of the people's government at the corresponding level shall be the final decision.

In the audit decision, the audit institution shall notify the auditee of the path for requesting a ruling.



While the ruling is pending, execution of the audit decision shall not be suspended; however, implementation may be suspended upon the occurrence of one of the following circumstances:

- (1) The audit institution believes that it is necessary to suspend execution;
- (2) The people's government that accepted the request for a ruling believes that it is necessary to suspend execution; and
- (3) The auditee has applied for suspension of execution and the people's government that accepted the request for a ruling believes that this request is reasonable and decides to suspend execution.

The ruling shall be handled by the legal organization of the people's government at the corresponding level.

A ruling decision shall be made within 60 days from the date of receipt of the request; in the event that an extension is necessary due to special circumstances, upon approval by the person in charge of the legal organization, an extension may be granted as appropriate and the audit institution and the auditee that requested the ruling shall be notified; however, such an extension shall not exceed 30 days.

Article 53 Except in circumstances specified by Article 52 of these Regulations where a ruling may be requested with respect to an audit decision, in the event that an auditee does not agree with any other audit decision by an audit institution, it may apply for administrative reconsideration or file an administrative lawsuit.

The audit institution shall notify the auditee in its audit decision of the path for applying for administrative reconsideration or filing an administrative lawsuit.

Article 54 The auditee shall report execution of the audit decision in writing to the audit institution. The audit institution shall examine the execution of the audit decision.

Where the auditee fails to execute an audit decision, the audit institution shall order such execution by a prescribed deadline; upon failure to execute the decision beyond the deadline, the audit institution may apply to the people's court for enforcement and suggest that the competent authorities or units in charge impose a penalty on the persons in charge with a direct responsibility or other persons with a direct responsibility.

Article 55 In case auditors abuse power, indulge in malpractice for selfish gains or dereliction of duty, or disclose State secrets or trade secrets in their knowledge, a penalty shall be imposed thereon in accordance with law; where a crime has been committed, criminal liability shall be pursued in accordance with law. Property acquired by auditors in violation of law and discipline shall be recovered, confiscated or they shall be ordered to pay restitution in accordance with law.

#### Chapter VII Supplementary Provisions

Article 56 In these Regulations, not more than and not less than shall include the number itself.

In the event that the last day of the period specified in Article 52 of these Regulations falls on a legal holiday, the first work day after the holiday shall be the expiration date of the period. Other periods specified by the Audit Law and these Regulations shall be calculated in work days and shall not include legal holidays.

Article 57 The rules for performing economic responsibility audits shall be made separately.

Article 58 These Regulations shall take effect as of May 1, 2010.

## 中华人民共和国审计法实施条例

( 1997 年 10 月 21 日中华人民共和国国务院令第 231 号公布 2010 年 2 月 2 日国务院第 100 次常务会议修订通过 )

### 第一章 总则

第一条 根据《中华人民共和国审计法》( 以下简称审计法 ) 的规定 , 制定本条例。

第二条 审计法所称审计 , 是指审计机关依法独立检查被审计单位的会计凭证、会计账簿、财务会计报告以及其他与财政收支、财务收支有关的资料和资产 , 监督财政收支、财务收支真实、合法和效益的行为。

第三条 审计法所称财政收支 , 是指依照《中华人民共和国预算法》和国家其他有关规定 , 纳入预算管理的收入和支出 , 以及下列财政资金中未纳入预算管理的收入和支出 :

- ( 一 ) 行政事业性收费 ;
- ( 二 ) 国有资源、国有资产收入 ;
- ( 三 ) 应当上缴的国有资本经营收益 ;
- ( 四 ) 政府举借债务筹措的资金 ;
- ( 五 ) 其他未纳入预算管理的财政资金。

第四条 审计法所称财务收支 , 是指国有的金融机构、企业事业组织以及依法应当接受审计机关审计监督的其他单位 , 按照国家财务会计制度的规定 , 实行会计核算的各项收入和支出。

第五条 审计机关依照审计法和本条例以及其他有关法律、法规规定的职责、权限和程序进行审计监督。

审计机关依照有关财政收支、财务收支的法律、法规 , 以及国家有关政策、标准、项目目标等

方面的规定进行审计评价，对被审计单位违反国家规定的财政收支、财务收支行为，在法定职权范围内作出处理、处罚的决定。

第六条 任何单位和个人对依法应当接受审计机关审计监督的单位违反国家规定的财政收支、财务收支行为，有权向审计机关举报。审计机关接到举报，应当依法及时处理。

## 第二章 审计机关和审计人员

第七条 审计署在国务院总理领导下，主管全国的审计工作，履行审计法和国务院规定的职责。

地方各级审计机关在本级人民政府行政首长和上一级审计机关的领导下，负责本行政区域的审计工作，履行法律、法规和本级人民政府规定的职责。

第八条 省、自治区人民政府设有派出机关的，派出机关的审计机关对派出机关和省、自治区人民政府审计机关负责并报告工作，审计业务以省、自治区人民政府审计机关领导为主。

第九条 审计机关派出机构依照法律、法规和审计机关的规定，在审计机关的授权范围内开展审计工作，不受其他行政机关、社会团体和个人的干涉。

第十条 审计机关编制年度经费预算草案的依据主要包括：

- (一) 法律、法规；
- (二) 本级人民政府的决定和要求；
- (三) 审计机关的年度审计工作计划；
- (四) 定员定额标准；
- (五) 上一年度经费预算执行情况和本年度的变化因素。

第十一条 审计人员实行审计专业技术资格制度，具体按照国家有关规定执行。

审计机关根据工作需要，可以聘请具有与审计事项相关专业知识的有关人员参加审计工作。

第十二条 审计人员办理审计事项，有下列情形之一的，应当申请回避，被审计单位也有权申请审计人员回避：

（一）与被审计单位负责人或者有关主管人员有夫妻关系、直系血亲关系、三代以内旁系血亲或者近姻亲关系的；

（二）与被审计单位或者审计事项有经济利益关系的；

（三）与被审计单位、审计事项、被审计单位负责人或者有关主管人员有其他利害关系，可能影响公正执行公务的。

审计人员的回避，由审计机关负责人决定；审计机关负责人办理审计事项时的回避，由本级人民政府或者上一级审计机关负责人决定。

第十三条 地方各级审计机关正职和副职负责人的任免，应当事先征求上一级审计机关的意见。

第十四条 审计机关负责人在任职期间没有下列情形之一的，不得随意撤换：

（一）因犯罪被追究刑事责任的；

（二）因严重违法、失职受到处分，不适宜继续担任审计机关负责人的；

（三）因健康原因不能履行职责 1 年以上的；

（四）不符合国家规定的其他任职条件的。

### 第三章 审计机关职责

第十五条 审计机关对本级人民政府财政部门具体组织本级预算执行的情况，本级预算收入征收部门征收预算收入的情况，与本级人民政府财政部门直接发生预算缴款、拨款关系的部门、单位的预算执行情况和决算，下级人民政府的预算执行情况和决算，以及其他财政收支情况，依法进行审计监督。经本级人民政府批准，审计机关对其他取得财政资金的单位和项目接受、

运用财政资金的真实、合法和效益情况，依法进行审计监督。

第十六条 审计机关对本级预算收入和支出的执行情况进行审计监督的内容包括：

- (一) 财政部门按照本级人民代表大会批准的本级预算向本级各部门(含直属单位)批复预算的情况、本级预算执行中调整情况和预算收支变化情况；
- (二) 预算收入征收部门依照法律、行政法规的规定和国家其他有关规定征收预算收入情况；
- (三) 财政部门按照批准的年度预算、用款计划，以及规定的预算级次和程序，拨付本级预算支出资金情况；
- (四) 财政部门依照法律、行政法规的规定和财政管理体制，拨付和管理政府间财政转移支付资金情况以及办理结算、结转情况；
- (五) 国库按照国家有关规定办理预算收入的收纳、划分、留解情况和预算支出资金的拨付情况；
- (六) 本级各部门(含直属单位)执行年度预算情况；
- (七) 依照国家有关规定实行专项管理的预算资金收支情况；
- (八) 法律、法规规定的其他预算执行情况。

第十七条 审计法第十七条所称审计结果报告，应当包括下列内容：

- (一) 本级预算执行和其他财政收支的基本情况；
- (二) 审计机关对本级预算执行和其他财政收支情况作出的审计评价；
- (三) 本级预算执行和其他财政收支中存在的问题以及审计机关依法采取的措施；
- (四) 审计机关提出的改进本级预算执行和其他财政收支管理工作的建议；
- (五) 本级人民政府要求报告的其他情况。



第十八条 审计署对中央银行及其分支机构履行职责所发生的各项财务收支，依法进行审计监督。

审计署向国务院总理提出的中央预算执行和其他财政收支情况审计结果报告，应当包括对中央银行的财务收支的审计情况。

第十九条 审计法第二十一条所称国有资本占控股地位或者主导地位的企业、金融机构，包括：

- (一) 国有资本占企业、金融机构资本(股本)总额的比例超过 50%的；
- (二) 国有资本占企业、金融机构资本(股本)总额的比例在 50%以下，但国有资本投资主体拥有实际控制权的。

审计机关对前款规定的企业、金融机构，除国务院另有规定外，比照审计法第十八条第二款、第二十条规定进行审计监督。

第二十条 审计法第二十二条所称政府投资和以政府投资为主的建设项目，包括：

- (一) 全部使用预算内投资资金、专项建设基金、政府举借债务筹措的资金等财政资金的；
- (二) 未全部使用财政资金，财政资金占项目总投资的比例超过 50%，或者占项目总投资的比例在 50%以下，但政府拥有项目建设、运营实际控制权的。

审计机关对前款规定的建设项目的总预算或者概算的执行情况、年度预算的执行情况和年度决算、单项工程结算、项目竣工决算，依法进行审计监督；对前款规定的建设项目进行审计时，可以对直接有关的设计、施工、供货等单位取得建设项目资金的真实性、合法性进行调查。

第二十一条 审计法第二十三条所称社会保障基金，包括社会保险、社会救助、社会福利基金以及发展社会保障事业的其他专项基金；所称社会捐赠资金，包括来源于境内外的货币、有价证券和实物等各种形式的捐赠。



第二十二条 审计法第二十四条所称国际组织和外国政府援助、贷款项目，包括：

- (一) 国际组织、外国政府及其机构向中国政府及其机构提供的贷款项目；
- (二) 国际组织、外国政府及其机构向中国企业事业组织以及其他组织提供的由中国政府及其机构担保的贷款项目；
- (三) 国际组织、外国政府及其机构向中国政府及其机构提供的援助和赠款项目；
- (四) 国际组织、外国政府及其机构向受中国政府委托管理有关基金、资金的单位提供的援助和赠款项目；
- (五) 国际组织、外国政府及其机构提供援助、贷款的其他项目。

第二十三条 审计机关可以依照审计法和本条例规定的审计程序、方法以及国家其他有关规定，对预算管理或者国有资产管理使用等与国家财政收支有关的特定事项，向有关地方、部门、单位进行专项审计调查。

第二十四条 审计机关根据被审计单位的财政、财务隶属关系，确定审计管辖范围；不能根据财政、财务隶属关系确定审计管辖范围的，根据国有资产监督管理关系，确定审计管辖范围。两个以上国有资本投资主体投资的金融机构、企业事业组织和建设项目，由对主要投资主体有审计管辖权的审计机关进行审计监督。

第二十五条 各级审计机关应当按照确定的审计管辖范围进行审计监督。

第二十六条 依法属于审计机关审计监督对象的单位的内部审计工作，应当接受审计机关的业务指导和监督。

依法属于审计机关审计监督对象的单位，可以根据内部审计工作的需要，参加依法成立的内部审计自律组织。审计机关可以通过内部审计自律组织，加强对内部审计工作的业务指导和监督。

第二十七条 审计机关进行审计或者专项审计调查时，有权对社会审计机构出具的相关审计报告进行核查。

审计机关核查社会审计机构出具的相关审计报告时，发现社会审计机构存在违反法律、法规或者执业准则等情况的，应当移送有关主管机关依法追究责任。

#### 第四章 审计机关权限

第二十八条 审计机关依法进行审计监督时，被审计单位应当依照审计法第三十一条规定，向审计机关提供与财政收支、财务收支有关的资料。被审计单位负责人应当对本单位提供资料的真实性和完整性作出书面承诺。

第二十九条 各级人民政府财政、税务以及其他部门（含直属单位）应当向本级审计机关报送下列资料：

（一）本级人民代表大会批准的本级预算和本级人民政府财政部门向本级各部门（含直属单位）批复的预算，预算收入征收部门的年度收入计划，以及本级各部门（含直属单位）向所属各单位批复的预算；

（二）本级预算收支执行和预算收入征收部门的收入计划完成情况月报、年报，以及决算情况；

（三）综合性财政税务工作统计年报、情况简报，财政、预算、税务、财务和会计等规章制度；

（四）本级各部门（含直属单位）汇总编制的本部门决算草案。

第三十条 审计机关依照审计法第三十三条规定查询被审计单位在金融机构的账户的，应当持县级以上人民政府审计机关负责人签发的协助查询单位账户通知书；查询被审计单位以个人名义在金融机构的存款的，应当持县级以上人民政府审计机关主要负责人签发的协助查询个人存款通知书。有关金融机构应当予以协助，并提供证明材料，审计机关和审计人员负有保密义务。

第三十一条 审计法第三十四条所称违反国家规定取得的资产，包括：

- (一) 弄虚作假骗取的财政拨款、实物以及金融机构贷款；
- (二) 违反国家规定享受国家补贴、补助、贴息、免息、减税、免税、退税等优惠政策取得的资产；
- (三) 违反国家规定向他人收取的款项、有价证券、实物；
- (四) 违反国家规定处分国有资产取得的收益；
- (五) 违反国家规定取得的其他资产。

第三十二条 审计机关依照审计法第三十四条规定封存被审计单位有关资料和违反国家规定取得的资产的，应当持县级以上人民政府审计机关负责人签发的封存通知书，并在依法收集与审计事项相关的证明材料或者采取其他措施后解除封存。封存的期限为 7 日以内；有特殊情况需要延长的，经县级以上人民政府审计机关负责人批准，可以适当延长，但延长的期限不得超过 7 日。

对封存的资料、资产，审计机关可以指定被审计单位负责保管，被审计单位不得损毁或者擅自转移。

第三十三条 审计机关依照审计法第三十六条规定，可以就有关审计事项向政府有关部门通报或者向社会公布对被审计单位的审计、专项审计调查结果。

审计机关经与有关主管机关协商，可以在向社会公布的审计、专项审计调查结果中，一并公布对社会审计机构相关审计报告核查的结果。

审计机关拟向社会公布对上市公司的审计、专项审计调查结果的，应当在 5 日前将拟公布的内容告知上市公司。

## 第五章 审计程序

第三十四条 审计机关应当根据法律、法规和国家其他有关规定，按照本级人民政府和上级审计机关的要求，确定年度审计工作重点，编制年度审计项目计划。

审计机关在年度审计项目计划中确定对国有资本占控股地位或者主导地位的企业、金融机构进行审计的，应当自确定之日起 7 日内告知列入年度审计项目计划的企业、金融机构。

第三十五条 审计机关应当根据年度审计项目计划，组成审计组，调查了解被审计单位的有关情况，编制审计方案，并在实施审计 3 日前，向被审计单位送达审计通知书。

第三十六条 审计法第三十八条所称特殊情况，包括：

- (一) 办理紧急事项的；
- (二) 被审计单位涉嫌严重违法违规的；
- (三) 其他特殊情况。

第三十七条 审计人员实施审计时，应当按照下列规定办理：

- (一) 通过检查、查询、监督盘点、发函询证等方法实施审计；
- (二) 通过收集原件、原物或者复制、拍照等方法取得证明材料；
- (三) 对与审计事项有关的会议和谈话内容作出记录，或者要求被审计单位提供会议记录材料；
- (四) 记录审计实施过程和查证结果。

第三十八条 审计人员向有关单位和个人调查取得的证明材料，应当有提供者的签名或者盖章；不能取得提供者签名或者盖章的，审计人员应当注明原因。

第三十九条 审计组向审计机关提出审计报告前，应当书面征求被审计单位意见。被审计单位应当自接到审计组的审计报告之日起 10 日内，提出书面意见；10 日内未提出书面意见的，视

同无异议。

审计组应当针对被审计单位提出的书面意见，进一步核实情况，对审计组的审计报告作必要修改，连同被审计单位的书面意见一并报送审计机关。

第四十条 审计机关有关业务机构和专门机构或者人员对审计组的审计报告以及相关审计事项进行复核、审理后，由审计机关按照下列规定办理：

(一) 提出审计机关的审计报告，内容包括：对审计事项的审计评价，对违反国家规定的财政收支、财务收支行为提出的处理、处罚意见，移送有关主管机关、单位的意见，改进财政收支、财务收支管理工作的意见；

(二) 对违反国家规定的财政收支、财务收支行为，依法应当给予处理、处罚的，在法定职权范围内作出处理、处罚的审计决定；

(三) 对依法应当追究有关人员责任的，向有关主管机关、单位提出给予处分的建议；对依法应当由有关主管机关处理、处罚的，移送有关主管机关；涉嫌犯罪的，移送司法机关。

第四十一条 审计机关在审计中发现损害国家利益和社会公共利益的事项，但处理、处罚依据又不明确的，应当向本级人民政府和上一级审计机关报告。

第四十二条 被审计单位应当按照审计机关规定的期限和要求执行审计决定。对应当上缴的款项，被审计单位应当按照财政管理体制和国家有关规定缴入国库或者财政专户。审计决定需要有关主管机关、单位协助执行的，审计机关应当书面提请协助执行。

第四十三条 上级审计机关应当对下级审计机关的审计业务依法进行监督。

下级审计机关作出的审计决定违反国家有关规定的，上级审计机关可以责成下级审计机关予以变更或者撤销，也可以直接作出变更或者撤销的决定；审计决定被撤销后需要重新作出审计决



定的，上级审计机关可以责成下级审计机关在规定的期限内重新作出审计决定，也可以直接作出审计决定。

下级审计机关应当作出而没有作出审计决定的，上级审计机关可以责成下级审计机关在规定的期限内作出审计决定，也可以直接作出审计决定。

第四十四条 审计机关进行专项审计调查时，应当向被调查的地方、部门、单位出示专项审计调查的书面通知，并说明有关情况；有关地方、部门、单位应当接受调查，如实反映情况，提供有关资料。

在专项审计调查中，依法属于审计机关审计监督对象的部门、单位有违反国家规定的财政收支、财务收支行为或者其他违法违规行为的，专项审计调查人员和审计机关可以依照审计法和本条例的规定提出审计报告，作出审计决定，或者移送有关主管机关、单位依法追究法律责任。

第四十五条 审计机关应当按照国家有关规定建立、健全审计档案制度。

第四十六条 审计机关送达审计文书，可以直接送达，也可以邮寄送达或者以其他方式送达。直接送达的，以被审计单位在送达回证上注明的签收日期或者见证人证明的收件日期为送达日期；邮寄送达的，以邮政回执上注明的收件日期为送达日期；以其他方式送达的，以签收或者收件日期为送达日期。

审计机关的审计文书的种类、内容和格式，由审计署规定。

## 第六章 法律责任

第四十七条 被审计单位违反审计法和本条例的规定，拒绝、拖延提供与审计事项有关的资料，或者提供的资料不真实、不完整，或者拒绝、阻碍检查的，由审计机关责令改正，可以通报批评，给予警告；拒不改正的，对被审计单位可以处5万元以下的罚款，对直接负责的主管人员

和其他直接责任人员，可以处 2 万元以下的罚款，审计机关认为应当给予处分的，向有关主管机关、单位提出给予处分的建议；构成犯罪的，依法追究刑事责任。

第四十八条 对本级各部门（含直属单位）和下级人民政府违反预算的行为或者其他违反国家规定的财政收支行为，审计机关在法定职权范围内，依照法律、行政法规的规定，区别情况采取审计法第四十五条规定的处理措施。

第四十九条 对被审计单位违反国家规定的财务收支行为，审计机关在法定职权范围内，区别情况采取审计法第四十五条规定的处理措施，可以通报批评，给予警告；有违法所得的，没收违法所得，并处违法所得 1 倍以上 5 倍以下的罚款；没有违法所得的，可以处 5 万元以下的罚款；对直接负责的主管人员和其他直接责任人员，可以处 2 万元以下的罚款，审计机关认为应当给予处分的，向有关主管机关、单位提出给予处分的建议；构成犯罪的，依法追究刑事责任。

法律、行政法规对被审计单位违反国家规定的财务收支行为处理、处罚另有规定的，从其规定。

第五十条 审计机关在作出较大数额罚款的处罚决定前，应当告知被审计单位和有关人员有要求举行听证的权利。较大数额罚款的具体标准由审计署规定。

第五十一条 审计机关提出的对被审计单位给予处理、处罚的建议以及对直接负责的主管人员和其他直接责任人员给予处分的建议，有关主管机关、单位应当依法及时作出决定，并将结果书面通知审计机关。

第五十二条 被审计单位对审计机关依照审计法第十六条、第十七条和本条例第十五条规定进行审计监督作出的审计决定不服的，可以自审计决定送达之日起 60 日内，提请审计机关的本级人民政府裁决，本级人民政府的裁决为最终决定。

审计机关应当在审计决定中告知被审计单位提请裁决的途径和期限。



裁决期间，审计决定不停止执行。但是，有下列情形之一的，可以停止执行：

- (一) 审计机关认为需要停止执行的；
- (二) 受理裁决的人民政府认为需要停止执行的；
- (三) 被审计单位申请停止执行，受理裁决的人民政府认为其要求合理，决定停止执行的。

裁决由本级人民政府法制机构办理。裁决决定应当自接到提请之日起 60 日内作出；有特殊情况需要延长的，经法制机构负责人批准，可以适当延长，并告知审计机关和提请裁决的被审计单位，但延长的期限不得超过 30 日。

第五十三条 除本条例第五十二条规定的可以提请裁决的审计决定外，被审计单位对审计机关作出的其他审计决定不服的，可以依法申请行政复议或者提起行政诉讼。

审计机关应当在审计决定中告知被审计单位申请行政复议或者提起行政诉讼的途径和期限。

第五十四条 被审计单位应当将审计决定执行情况书面报告审计机关。审计机关应当检查审计决定的执行情况。

被审计单位不执行审计决定的，审计机关应当责令限期执行；逾期仍不执行的，审计机关可以申请人民法院强制执行，建议有关主管机关、单位对直接负责的主管人员和其他直接责任人员给予处分。

第五十五条 审计人员滥用职权、徇私舞弊、玩忽职守，或者泄露所知悉的国家秘密、商业秘密的，依法给予处分；构成犯罪的，依法追究刑事责任。

审计人员违法违纪取得的财物，依法予以追缴、没收或者责令退赔。

## 第七章 附 则

第五十六条 本条例所称以上、以下，包括本数。

本条例第五十二条规定的期间的最后一日是法定节假日的，以节假日后的第一个工作日为期间

届满日。审计法和本条例规定的其他期间以工作日计算，不含法定节假日。

第五十七条 实施经济责任审计的规定，另行制定。

第五十八条 本条例自 2010 年 5 月 1 日起施行。

# Exhibit 4



June 25, 2018

**Certification**

**Park IP Translations**

This is to certify that the attached translation is, to the best of my knowledge and belief, a true and accurate translation from Chinese into English of the document with bates numbers range: IRI-CRT-00000512 - IRI-CRT-00000516.

A handwritten signature in black ink, appearing to read 'Hanna Kang'.

Hanna Kang

Project Manager

Project Number: BBLP\_1806\_007

15 W. 37th Street 8th Floor  
New York, NY 10018  
212.581.8870  
ParkIP.com

File number:\_\_\_\_\_

Registration form for change of ownership of State-owned assets of an enterprise

Enterprise name (seal): IRICO Group Corporation [seal: IRICO Group Corporation]

Legal representative (signature): [seal: Wei Weiren]

Date completed: December 25, 2000

Prepared by the Ministry of Findings of the People's Republic of China

NO.E 1277340000000000001010-27-168903-20170919



CONFIDENTIAL

IRI-CRT-00000512

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Enterprise group or enterprise management department	IRICO Group Corporation		
Enterprise address	Number 9, Shangdi 4 <sup>th</sup> Street, Haidian District, Beijing		
Postal code	100085	Date of approval for setup	January 22, 1989
Organization giving approval for setup	Ministry of Machinery and Electronics Industry	Document number giving approval for setup	Ji Dian Zheng (1989) Number 98
Form of organization	Wholly State-owned company	Date of registration	March 16, 1989
Registration number	1000001001820	Registered capital	1,000,000
Uniform enterprise and organizational code	10001820 – 8		

## Ownership registration code after change

Ownership registration organ code	1
Enterprise affiliation code	1
Enterprise and organizational form identification code	1110
Enterprise level secondary identification code	1
Enterprise industry code	4160
Enterprise area code	110108

## Information regarding changes (1)

Changed item	Original registration	Current registration
Enterprise name	IRICO Group Corporation	IRICO Group Corporation
Legal representative	Wu Weiren	Ma Jinquan
Address	Number 9, Shangdi 4 <sup>th</sup> Street, Haidian District, Beijing	Number 9, Shangdi 4 <sup>th</sup> Street, Haidian District, Beijing
Enterprise group or enterprise management department	IRICO Group Corporation	IRICO Group Corporation
Form of organization	Wholly State-owned company	Wholly State-owned company

NO.E 12773400000000000001010-27-168903-20170919



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IRI-CRT-00000513

## Information regarding changes (2)

Amount unit: thousand yuan

Item			Amount last registered	Amount after change		
				Amount declared by enterprise	Amount reviewed by enterprise group or enterprise management department	Amount reviewed and verified by ownership registration organ
Rights and interests of owners' undistributed profit	Capital actually received	State capital	868,654			
		Legal person capital				
		Of which: capital of State-owned legal persons				
		Capital of foreign investor				
		Individual capital				
		Subtotal	868,654			
	Capital reserve		84,776			
	Surplus reserve		1,690,161			
	Undistributed profit		5,990			
	Miscellaneous					
Total		2,649,581				
Rights and interests that the State capital is entitled to			1,780,927			
Rights and interests the State-owned legal person capital is entitled to						
Other State-owned assets						
Total State-owned assets			2,649,581			
Total liabilities			3,295,061			
Total assets			5,944,642			
Of which: long-term investments			1,837,137			

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IRI-CRT-00000514



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## Information regarding contributors after change

No.	Name of the contributor after change	Address (administrative zoning code)	Form of organization (code)	Industry category (code)	Amount of investment (thousand yuan)	Percentage of shares (%)
1	The State Council	110101	4000	9400	1,000,000	100
2						
3						
4						
5						
6						
7						
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Processor at enterprise	[Illegible] Bo	Contact phone	(010)62983387
Examination opinion of enterprise group or enterprise management department	Processor: [illegible seal]  Signature:  December 25, 2000	Reviewed by: [illegible seal]  Signature:  December 25, 2000	Examined and approved by: [seal: IRICO Group Corporation]  Signature: (company seal)  December 25, 2000
Review opinion of ownership registration organ	Processor:  Signature: [seal: Wang Tianhao]  December 26, 2000	Reviewed by:  Signature: [seal: Zou Suping]  December 26, 2000	Approved by: [seal: Ministry of Finance, special seal for ownership registration (2)]  Signature: [seal: Geng Hong] (special seal)  December 26, 2000
Person replacing license		Person claiming license	
Notes	Date of claim of license MM DD 20__		

Note: When the registration organ at a higher level interests registration organ at a lower level to handle the matter, indicate “— enterprise – (province, municipality, county) registered” in the space for notes. For example, “center enterprise \_\_\_\_ Province entrusted for registration.”

NO.E 127734000000000000001010-27-168903-20170919



CONFIDENTIAL

IRI-CRT-00000516

27

档案编号: \_\_\_\_\_

## 企业国有资产变动产权登记表

企业名称(盖章):



法定代表人(签字):



填报日期:

2000-12-25

中华人民共和国财政部制



NO.E 127734000000000000001010-27-168903-20170919

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企业集团或企业管理部门	新如集团公司		
企业地址	北京市海淀区地四街9号		
邮政编码	100085	批准设立日期	1989-01-22
批准设立单位	机械电子工业部	批准设立文号	机电设(1989)92号
组织形式	国有独资企业	注册日期	1989-03-16
注册号	1000001001820	注册资本	1,000,000
企业单位统一代码	100001820-8		

## 变动后产权登记编码

产权登记机关码	1
企业隶属关系码	1
企业组织形式标识码	1110
企业级次标识码	1
企业所属行业代码	4160
企业所在区域代码	110108

## 变动情况 (一)

变动项目	原 登 记	现 登 记
企业名称	新如集团公司	新如集团公司
法定代表人	吴维仁	马全泉
地 址	北京市海淀区地四街9号	北京市海淀区地四街9号
企业集团或企业管理部门	新如集团公司	新如集团公司
组织形式	国有独资企业	国有独资企业



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## 变动情况 (二)

金额单位: 千元

项 目		最近一次 登记数	变动后数额		
			企业申报数	企业集团或企业 管理部门审核数	产权登记 机关审定数
所有者	国家资本	868,654			
	法人资本				
	其中:国有法人资本				
	外商资本				
	个人资本				
	小计	868,654			
权益	资本公积	84,776			
	盈余公积	1,690,161			
	未分配利润	5,990			
	其他				
	合计	2,649,581			
国家资本应享有权益		1,780,927			
国有法人资本应享有权益					
其他国有资产					
国有资产总额		2,649,581			
负债总额		3,295,061			
资产总额		5,944,642			
其中: 长期投资		1,837,137			



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IRI-CRT-00000514

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## 变 动 后 出 资 人 情 况

序号	变动后出资人名称	地 址 (行政区划码)	组织形式 (码)	行业分类 (码)	投资金额 (千元)	股权比例 (%)
1	网各院	110101	5000	9100-2	1,000,000	100
2						
3						
4						
5						
6						
7						
8						
9						
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









NO.E 127734000000000000001010-30-168903-20170919

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IRI-CRT-00000515

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企业经办人		联系电话	
经办人: 		联系电话: (010) 762983387	
企业集团或企业管理部门审查意见	经办人: 	审核人: 	审批人: 
	签字: 二〇〇〇年十二月十四日	签字: 二〇〇〇年十二月十四日	签字: (公章) 二〇〇〇年十二月十四日
产权登记机关审定意见	经办人: 	审核人: 	审批人: 
	签字: 二〇〇〇年十二月十四日	签字: 二〇〇〇年十二月十四日	签字: (专用章)  二〇〇〇年十二月十四日
换发证人	领证人	领证日期	二〇 年 月 日
备注			

注: 上级登记机关委托下级登记机关办理的, 在备注栏中标注“——企业——(省、市、县)登记”, 如“中央企业 省受托登记”。



NO.E 127734000000000000001010-31-168903-20170919



# Exhibit 5



June 25, 2018

**Certification**

**Park IP Translations**

This is to certify that the attached translation is, to the best of my knowledge and belief, a true and accurate translation from Chinese into English of the document with bates number: IRI-CRT-00000527.

A handwritten signature in black ink, appearing to read 'Hanna Kang'.

Hanna Kang

Project Manager

Project Number: BBLP\_1806\_007

15 W. 37th Street 8th Floor  
New York, NY 10018  
212.581.8870  
ParkIP.com

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IRI-CRT-00000527

8  
23Document of Ministry of Machinery and  
Electronic Industry

Ji Dian Gai [1989] Number 98

Reply Regarding Consent to Formation of  
IRICO Group Corporation  
To 4400 CRT Plant:

This is to acknowledge receipt from your plant of (88) Chang Ban Number 274 Request for Instructional on Formation of IRICO Group Corporation. To meet the need of socialized large-scale production and development of a commodity economy, face up to both domestic and international markets, increase product competitiveness in the international market, give full play to the current advantages possessed by the enterprise in terms of technology, equipment, products, talent, funds and management, etc., enhance research and development abilities, promote development by the enterprise in being oriented toward production and operations and exports and promote the maintenance by the enterprise of its domestic leadership in technological level, upon studies, consent is hereby given to you to use the leading brand and outstanding "IRICO" products as the lead, Shaanxi Color Tube General Plant as the main body to form IRICO Group (hereinafter referred to as IRICO Corporation). IRICO Corporation

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will be managed by the Ministry.  
Following is a clarification of the relevant issues:

1. In principle, consent is hereby given to the company bylaws. Please register with the local administration of industry and commerce in accordance with the relevant State provisions.

2. After approval is received from the Ministry of Economics and Foreign Trade, consent will be given to operations of IRICO color tube export business. But currently, when the domestic market demand still cannot be met, export of color tubes will require approval by the Ministry.

3. Consent is given to setup by IRICO of a finance company. IRICO Corporation is hereby requested to apply for approval with the People's Bank of China in accordance with the relevant provisions.

4. In accordance with the relevant provisions of Shaanxi Province regarding advanced reforms, IRICO may, within the approved labor plan targets, set its own recruitment conditions and staffing quotas and select its own recruitment areas, for hiring on the merits after an examination.

5. Continue to perform pilot work in terms of interrelated total salary and taxes and profits turned in.

Please urgently organize work implementation in accordance with the reply.

[Seal: Ministry of Machinery and  
Electronic Industry of the People's  
Republic of China]

March 2, 1989

Cc: Shaanxi Provincial People's Government,  
Economic Commission, Structural Reform  
Commission, Department of Electronics,  
Administration of Industry and Commerce, China  
Electronics Import and Export Corporation, General  
Office of the Ministry, Comprehensive Planning  
Department, Production Department, Department of  
Microelectronics and Essential Products.

NO.E 127734000000000000001010-27-168903-20170919





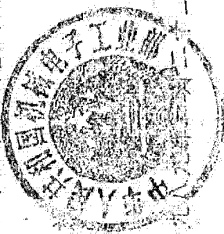
一、原则同意公司章程，请按国家有关规定在当地工商行政管理部门登记注册。

二、经报请经贸部批准后，同意彩虹公司经营彩色录像带出口业务。但在目前尚不能满足国内市场需要的前提下，彩管厂的出口需经部批准。

三、同意彩虹公司设立财务公司，请彩虹公司接

四、根据陕西省企业实行提前改革的相关规定，彩虹公司可以在核定的劳动计划指标内，自行招工和自遣招工地区，经过考试后择优录用。

五、經營這些工業的總額與上繳稅利掛鉤，省、市、



冰天雪地裏

抄送：陕西省人民政府、发展改革委、电子厅、工商行  
政管理局、宁国进出口公司、安徽电子总公司、  
部办公厅、综合计划司、生产司、矿产司。

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机电报11389198号

蘇美亞西之國界中知是溪與海濱區中水

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你厂(88)厂办字第774号《关于组建彩虹电子集团公司请示》收悉。为了适应社会化大生产发展的需要，面向国际国内市场，充分发挥国内两个市场、两种资源、资金和管理等方面优势，促进企业向生产经营型转变，增强科研开发能力，促进企业在技术水平和经营管理水平、产品质量、经济效益、新产品开发、技术改造、人才培训等方面取得领先地位，以扩大产品出口，提高企业的竞争能力，经研究，同意你们以“彩虹”各分厂为主体，组成彩虹电子集团公司（以下简称彩虹公司）。彩虹公司以彩虹管厂为

# Exhibit 6



June 25, 2018

**Certification**

**Park IP Translations**

This is to certify that the attached translation is, to the best of my knowledge and belief, a true and accurate translation from Chinese into English of the document with bates numbers range: IRI-CRT-00000530 - IRI-CRT-00000532.

A handwritten signature in black ink, appearing to read 'Hanna Kang'.

Hanna Kang

Project Manager

Project Number: BBLP\_1806\_007

15 W. 37th Street 8th Floor  
New York, NY 10018  
212.581.8870  
ParkIP.com

**Document of 4400 CRT Plant**

(88) Chang Ban Zi Number 274

Signed and issued by: Xia Tonghu

Request only instructions regarding formation of  
IRICO Group CorporationTo the Department of Structural Reform of the  
Ministry of Machinery and Electronic Industry:

To meet the need of socialized large-scale production and development of a commodity economy, achieve the optimized combination of elements of production at a higher level, try to develop a high technology and export oriented economy, achieve a strategic base plan goal of "integration of four elements into one," including production and manufacture, scientific research and development, talent training and technology output for color picture tubes in our country, improve competitiveness in both international and domestic markets, use Shaanxi Color picture Tube General Plant as the main body and in accordance with the principle of free will and mutual benefit, 14 enterprises, scientific research and design units and institutions of higher learning that have inherent economic and technical connections have unanimously agreed to set up IRICO Group Corporation after consideration and discussions.

IRICO Group Corporation (hereinafter referred to as IRICO Corporation) is based on a system of public ownership. It will use the leading brand and outstanding "IRICO" products as the lead, be oriented toward high technology and export and set its goal to compete in the domestic market, the international market and with enterprise groups overseas. It will achieve a combination of industries, technologies, trade and banking and engage in a diversity of production and operations by combining imports with exports. It will become an independently operated, self-supporting, closely-knit economic entity that has comprehensive functions such as scientific research and development, production and sales,

IRICO Corporation will give full play to the advantages in its possession, such as technology, equipment, products, talent, funds and management, focus on scientific research and development, manufacture and sales of color picture tubes of various specifications and model numbers and special components, such as display tubes, etc., undertake the engineering designs, technical contracting and corresponding professional technical training business for electronic vacuum component projects. It will focus on the development of high technology series of to the products and gradually form a comprehensive product structure across industries which integrates industries such as electronics, machinery, chemical engineering and energy, etc., in order to make contributions to the development of our country's electronic industry.

Based on the degree of closeness of its inherent economic and technical relations, member units of IRICO Corporation are divided into a close-knit layer, a semi-close-knit layer and a loose layer. In terms of the management system, IRICO will implement a multilayer management model by combining centralization and decentralization.

Members of the close-knit layer are enterprises started by the business companies, direct subordinate plants and those with independent investments of the principal plants of IRICO Corporation. Members of the close-knit layer have integrated their assets and operations and implement centralized planning, centralized management, direct operations, centralized accounting and centralized undertaking of profits and losses in terms of personnel, property, materials, supplies, production and sales. Members of the half close-knit layer are joint ventures and scientific research and development centers where the Group Corporation and principal plants hold more than 50% of controlling investments. Members of the half close-knit layer carry out the centralized provisions of the company, undertake tasks in accordance with the agreements, set up a closing study production, operational, financial and material supply and demand relationship with the principal plants. They implement independent operations, joint management and independent accounting, are self-supporting and distribute their profits in accordance with agreements and share losses.

Members of the loose layer are enterprises, scientific research and design organizations and institutions of higher learning that participate in coordinated professional production of accessories organized by the

-1-

technical services and financing, etc.  
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company. Members of the loose layer are subject to planned guidance of centralized coordination plan and the relevant quality and technical standards. They are operated independently, are self-supporting and undertake the responsibility in accordance with contracts.

IRICO Group Corporation implements a general manager's responsibility system and sets up a company management committee composed of representatives of member organizations to assist the general manager in deciding major issues of the company. It sets up a company employee representative meeting as the authority for company employees to exercise democratic management.

IRICO Group Corporation will set up a model of a dependent group institution that relies on its principal plants and implement "one institution under two signs." The functional departments of the principal plant are also the functional departments of the company. In accordance with the principle of being streamlined, centralized and effective, IRICO Group Corporation will set up several functional departments, business companies and professional centers, as management agencies of the company, where the business development department will serve as the competent management department of member organizations of the half close-knit layer and loose layer.

After the setup of IRICO Group Corporation, it will make use of its concentration of capital, concentration of science and technology and concentration of production and have an advantage from an integrated operating mechanism and seek to form a powerful economic strength and competitiveness in the domestic and international markets. Therefore, the priorities for the development of IRICO Group Corporation will be:

First, enhance its ability to develop high technology, by setting up an IRICO Group Corporation science and technology development center, making full use of the high intellectual advantages of institutions of higher learning and scientific research institutes, to research and develop color picture tubes, computer terminal displays and support projects, enhance work in the domestic manufacture of specialty equipment, automated instruments and raw materials for color picture tubes, research and develop high-technology products with a high added value, and actively promote the results of scientific research, in order to achieve integrated scientific research and production. It will closely combine imported technologies with domestic science and technology, develop color picture tubes with Chinese characteristics as soon as possible and generate a set

of IRICO Group Corporation mainstream products and mainstream technologies.

Second, to conscientiously implement the guideline of "keep the initiative in our own hands" in color picture tube product construction, give full play to the advantages of the principal plant in terms of technology, equipment, processes and talent, we will rely on the principal plant and unite engineering design organizations and key large enterprises in equipment manufacturing. We will become a general project contractor for general assembly of color picture tubes and key support engineering projects and, based on entire sets of technologies, perform technology and process designs, engineering designs and equipment manufacturing, guide construction and installation, be responsible for equipment debugging, personnel training and technical services, engage in packages of technology output and transfers, perform "turnkeys," guarantee that key state color picture tube projects will be organized and constructed in accordance with reasonable schedules and form complete production capabilities as soon as possible.

Third, give full play to the functions of the Group Corporation, achieve coordination and combination of professional production and continuously optimize the allocation of production elements. By planning coordination and expanding production, we will give play to the advantages of member enterprises, expand our capabilities of production of high-tech products, name brand and outstanding new products, seek a fissure type of production effect, and meet the demand of the public to the greatest extent possible.

Fourth, we will give full play to our advantages in production, operations, development, service and comprehensive functions and activities developed outward. In our operational strategy, we will switch from being market-oriented domestically to being market-oriented internationally, and implement the guideline of a combination of "industry and trade;" in terms of investment channels, we will switch from our reliance on mainly domestic funds and State investments to raising funds on our own. We will use foreign investments and focus on the development of high-tech products and name-brand high-end products with a high added value and build bases to earn foreign exchange through exports that are compatible with international economic activities. We will cultivate a foreign trade team that has an awareness of internationalized operations and actual talent, so that the "IRICO" brand of series of electronic products will go into the world.

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Fifth, we will use our advantages in technology, production capacity and economy of scale, grow the closely-knit layer of IRICO Corporation through enterprise acquisitions, reorganizations and the implementation of a stock system, so as to further expand our economic strength and allow IRICO Corporation to become a major enterprise group capable of competing with and counterbalancing enterprise groups from overseas.

Sixth, to achieve financial integration and provide controlling funds inside the company and enhance our financial strength, we will make active preparations to set up a financial company. By internally raising funds within IRICO Corporation, the financial company will issue special loans to members, to support technological reforms and development of new products. At the same time, it will set up business relationships with banks or other financial institutions and issue stocks and bonds upon approval, to make investments in and become shareholders of members and other enterprises. Based on this need, the financial company will gradually expand the scope of its financial business and increase its service clients until it sets up additional foreign exchange business. It will support exports and imports and use funds as a bond to enhance the cohesiveness and expansion capabilities of the company.

Seventh, to build IRICO Corporation into a group with a strong centripetal force and cohesiveness that adapts to the need for modernization, we should enhance the cultural and scientific education of our employees surrounding the general production goals of the company and form an IRICO Corporation training system, to provide technical training and cultural and scientific knowledge education for all employees of the company and cultivate a vigorous, conscientious, highly efficient and fast-paced work style and a sense of ownership for all employees; cultivate a good atmosphere of a passion for one's duty post and selfless dedication; cultivate a sense of competition for employees as being assiduous and studious and having an enterprising spirit in striving to perform first-class work, so that IRICO Corporation will use the innovations and dimensions of its vast number of employees as its motivating force for moving forward and using the conscientious actions of employees as

-5-

the basis for development, and blaze an aggressive trail of development.

Currently, in a situation where the operating strategy of the enterprise is experiencing a trend of internationalization, a new technological revolution is developing rapidly and market competition is increasingly intense, to allow the newly formed IRICO Corporation to enhance its responsibility for asset operations from a high starting point, expand its operational autonomy and push for reforms in its operational mechanism, we hope to have expanded authority for IRICO Corporation in terms of fundraising, investment decision-making and foreign economic activities, etc.

The idea of the formation of IRICO Corporation was floated as early as in 1984. Since the start of this year, with further deepening of the demand for development in the domestic and international markets and structural reforms, as well as support from the ministerial, provincial and municipal leadership, conditions and opportunities in various aspects have matured. Through the joint efforts of members, preparatory work is ready. We hope to be able to hold the founding conference for IRICO Group Corporation in January 1989.

Please issue instructions as to whether the above report is appropriate.

Attachments: 1. Feasibility study regarding the formation of IRICO Group Corporation.  
2. Bylaws of IRICO Group Corporation.  
3. List of members organizations of IRICO Group Corporation.  
4. Recommendation regarding expanded autonomy and enjoyment of preferential policies for IRICO Group Corporation.

IRICO Group Corporation Preparatory Group  
(4400 CRT Plant)

[seal: 4400 CRT Plant]

October 18, 1988

Cc: Vice Ministers Zhang Xuedong and Zeng Peiyan of the Ministry of Machinery and Electronics, China Electronics Corporation and Department of Electronics of Shaanxi Province.

File (2)

Printed by: Zhou Xiaohong

Proofread by:  
Wang Yanming

-6-

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IRI-CRT-00000532

NO.E 12773400000000000001010-27-168903-20170919



(88)厂办字第274号

签发人：夏同书

### 关于组建彩虹电子集团公司的请示

机械电子工业部体改司:

为符合社会化大生产和发展商品经济的要求,在更高层次上实现生产要素的优化组合,努力发展高技术、外向型经济,实现建立我国彩色显像管的生产制造、科研开发、人材培训、技术输出“四位一体”的跨地区规划目标。提高在国际国内两个市场上的竞争能力。以陕西彩色显像管总厂为主体,按照自愿互利原则,由14个内在经济技术联系的企业、科研设计单位、院校,经过酝酿讨论,一致同意组建“彩虹电子集团公司”。

彩虹电子集团公司（以下简称彩虹公司）是以公有制为基础，以“彩虹”牌名优产品为龙头，以高技术、外向型为主导，以国内市场、国际市场和国外企业集团为竞争目标。实行工、技、贸、银相结合，进出口相结合的多种生产经营。具有科研开发、生产销售、

技术服务、资金融通等综合功能的独立经营、自负盈亏、具有法人资格的紧密型经济实体。

彩虹公司可充分发挥拥有的技术、设备、产品、人才、资金和管理诸方面的优势,重点开展各种规格型号的彩色显像管、显示屏等专用元器件的科研开发、制造和销售。承担真空器件工程项目的工程设计、技术承包和相应的专业技术培训业务,以发展高技术的系列电产品为主,逐步形成电子、机械、化工、能源等产业融为一体的跨行业的综合性产品结构,为加快我国电子工业发展做出贡献。

彩虹公司成员单位按其内在经济技术关系紧密程度,分为紧密层、半紧密层和松散层。彩虹公司在管理体制上,实行集权与分权相结合的多层次管理模式。

紧密层成员是彩虹公司的业务公司，直属工厂及主体厂独立投资兴办的企业，紧密层成员是资产经营一体化，对人、财、物、供、产、销实行统一计划、统一管理，直接经营，统一核算，统负盈亏。

半紧密层成员是集团公司和主体厂被控股50%以上的合资企业、科研开发中心。半紧密层成员执行公司统一规定,按协议承担任务。与主体厂建立密切稳定的生产、经营、财政、物资供需关系,实行自主经营,共同管理,独立核算,自负盈亏,按协议分配收益,分担亏损。

松散层成员是以经济技术合同或协议形式，参加公司组织的专业

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IRI-CRT-00000530

第一：增强技术开发能力。建立彩虹公司的科技开发中心，充分利用高校和科研院所的高智力优势，开发研制彩色显管、计算机终端显示器及配套项目，加强彩色显管的专用设备、自动化仪表和原材料国产化工作，开发研制附加值高的高新技术产品，积极推广科研成果，实现科研生产一体化。把引进技术与国内科学技术密切结合，尽快研制出具有中国特色的彩色显管，形成一整条彩虹公司的主流

第四，充分利用具有生产、经营、开发、服务、综合功能优势，积极向外向型发展。在经营战略上由国内市场导向转向国际市场导向，实行“工—贸”结合的方针；在投资渠道上由依靠国内资金、国家投资为主转向自筹资金、利用外资，有重点的抓好附加值高的高新技术产品和名牌高档产品开发。建设能够有国际经济活动相适应的出口创汇基地。培养具有国际化经营意识和实际才能的外资队伍。使“彩虹”牌系列电子产品走向世界。



第七：为把彩虹公司建成适应现代化需要的具有很强的向心力和凝聚力的群体。要围绕公司生产经营总目标，加强职工的文化科学教育，形成彩虹公司的培训体系，对公司全体职工进行技术培训，进行文化科学知识教育，培养全体职工的现代化生产意识，养成严谨认真，高效率，快节奏的工作作风；培养全体职工的主人翁意识，养成热爱岗位，无私奉献的良好风气；培养全体职工的竞争意识，养成刻苦好学，争创一流工作的进取精神，使彩虹公司以广大职工的创新发明作为前进的动力，以职工的自觉行动作为发展的基础，走出一条开拓进取的发展之路。

: 6.



# Exhibit 7



June 25, 2018

**Certification**

**Park IP Translations**

This is to certify that the attached translation is, to the best of my knowledge and belief, a true and accurate translation from Chinese into English of the document with bates numbers range: IRI-CRT-00000534 - IRI-CRT-00000536.

A handwritten signature in black ink, appearing to read 'Hanna Kang'. The signature is fluid and cursive, with the first name 'Hanna' and last name 'Kang' clearly distinguishable.

Hanna Kang

Project Manager

Project Number: BBLP\_1806\_007

15 W. 37th Street 8th Floor  
New York, NY 10018  
212.581.8870  
ParkIP.com



[Illegible] 20  
February 28, 2014

Qindu District People's Court, Xianyang Municipality, Shaanxi  
Province

Criminal Judgment

(2013) Xian Qin Xing Chu Number 00346

Public prosecution organ: Qindu District People's Procuratorate, Xianyang Municipality.

Defendant Liu Junjie, of Han ethnicity, male, born on April 18, 1955 in Mei County, Shaanxi Province, identification card number 610402195504181214, has a college education level. He served as general manager (Executive Director and legal representative) of IRICO (Hefei) Photovoltaic Company Limited and resided at Number 8, 4<sup>th</sup> fl., Unit 3, Building number 121 with Number 1, Caihong Road, Qindu District, Xianyang Municipality. As a result of the present case, he was criminally detained on August 6, 2013 and was arrested on August 23 of the same year. Currently, he is under detention at Qindu District Detention House, Xianyang Municipality.

Defender An Wenjiang, an attorney with Shaanxi Wei En Law Firm.

With Xian Qin Jian Criminal Complaint (2013) Number 258, Qindu District People's Procuratorate of Xianyang Municipality accused defendant Liu Junjie of having committed the crime of accepting bribes and brought an indictment on November 13, 2013 with this court. In accordance with law and pursuant to summary procedures and general procedures, on December 13, 2013, this court impaneled a collegiate panel to hold a public hearing of the present case. Qindu District People's Procuratorate of Xianyang Municipality designated acting prosecutor Kong Lingjing to appear in court and support the indictment. Defendant Liu Junjie and defender An Wenjiang appeared in court to participate in the lawsuit. The hearing has now been concluded.

Qindu District People's Procuratorate of Xianyang Municipality filed the following charge: In December 2010, while serving as general manager of IRICO (Hefei) Photovoltaic Company Limited, defendant Liu Junjie helped Liu Tengteng obtain a contract for the road project of IRICO (Hefei) Photovoltaic Company Limited by using the qualifications of the affiliated Jiuye Construction Company Limited. Before and after the tender bids for the project, on two separate occasions, Liu Junjie accepted RMB 150,000 yuan in cash given by Liu Tengteng, to pay the living expenses of his family (already refunded).

Defendant Liu Junjie did not raise objections to the facts alleged in the indictment.

The defender for defendant Liu Junjie alleged that defendant Liu Junjie did not have standing as a state worker and that his actions constituted the crime of acceptance of bribes by a non-state worker.



It has been found through a hearing that IRICO Group Corporation is a state-owned company. On September 9, 2004, IRICO Group Electronics Company Limited was launched and set up exclusively by IRICO Group. On September 10, 2004, it was registered with Shaanxi Provincial Administration of Industry and Commerce and obtained an enterprise legal person business license. IRICO (Hefei) Photovoltaic Company Limited was set up exclusively with an investment from IRICO Group Corporation. On September 20, 2010, IRICO Group Corporation approved the request from IRICO Group Electronics Company Limited for instructions on the setup of IRICO (Hefei) Photovoltaic Company Limited and the hiring of relevant personnel and gave its consent to hiring defendant Liu Junjie as the executive director, general manager and legal representative of IRICO (Hefei) Photovoltaic Company Limited. In December 2010, while serving as general manager of IRICO (Hefei) Photovoltaic Company Limited, defendant Liu Junjie helped Liu Tengting obtain a contract for the road project of IRICO (Hefei) Photovoltaic Company Limited by using the qualifications of the affiliated Jiuye Construction Company Limited. Before and after the tender bids for the project, on two separate occasions, Liu Junjie accepted RMB 150,000 yuan in cash given by Liu Tengting, to pay the living expenses of his family. After the occurrence of the case, the ill-gotten funds have been recovered.

During the court hearing, defendant Liu Junjie did not raise objections to the aforementioned facts, which are also proven by evidence including documentary evidence, such as industry and commerce business licenses and bylaws of IRICO Group Corporation, IRICO Group Electronics Company Limited and IRICO (Hefei) Photovoltaic Company Limited, documents of IRICO Group Corporation, request for appointment work instruction of IRICO Group Corporation, testimony of witnesses Liu Tengting, Miao Bin, Li Yindi and Zhang Yuanjia and receipts for recovery of money involved in the case, which are all sufficient to make a finding.

This court believes that as a state worker sent by a state-owned company to a non-state own company to engage in public business, defendant Liu Junjie took advantages of his position to illegally accept RMB 150,000 yuan property from other persons and sought gains for others. His actions have constituted the crime of acceptance of bribes. The charges by public prosecution organ are tenable. Regarding the defense opinion submitted by the defender of defendant Liu Junjie that defendant Liu Junjie did not have standing as a state worker and that his actions did not constitute the crime of acceptance of bribes by a state worker, it has been found that defendant Liu Junjie had served as manager of IRICO Photovoltaic Glass Plant which is subordinate to IRICO Group Electronics Company Limited (a state-owned holding company). Subsequently, IRICO Group Electronics Company Limited proposed to set up IRICO (Hefei) Photovoltaic Company Limited with an exclusive investment therefrom and hired defendant Liu Junjie as general manager of IRICO (Hefei) Photovoltaic Company Limited. IRICO Group Electronics Company Limited submitted a written request with IRICO Group Corporation (the state-owned company) and upon approval and consent, hired defendant Liu Junjie as general manager of IRICO (Hefei) Photovoltaic Company Limited. In accordance with the provisions of Article 6 of Supreme People's Court and the Supreme People's Procuratorate's Notice of Opinion on the Handling of Several Issues in the Specific Application of Law to Job-Related Criminal Cases in State-Contributed Enterprises, "Personnel that engage in public business in a state-controlled company, a state participating stock company and their branches upon nomination, recommendation, appointment and approval by a state organ, state-owned company, enterprise and institutional unit shall be determined to be state workers. The specific appointing agency and procedures shall not affect the determination of state workers." Upon approval by IRICO Group Corporation, IRICO Group Electronics Company Limited hired defendant Liu Junjie as the executive director and general manager (legal representative) of IRICO (Hefei) Photovoltaic Company Limited, to engage in organization, leadership, operations and management work. He was a person sent by a state-owned company to a non-state owned company to engage in public business. It should be found that defendant Liu Junjie was a state worker, who took advantage of



his positions and illegally accepted bribes from others to seek gains for others. His actions have constituted the crime of acceptance of bribes. Therefore, the defense opinion submitted by his defender is not tenable and is not admitted by this court.

In summary of the above, after defendant Liu Junjie was brought to justice, he was able to confess to his crimes and should be entitled to a lighter sentence. In view of the fact that he voluntarily pleaded guilty and that all the ill-gotten monies have been recovered, a lighter sentence is hereby given as appropriate. In accordance with the provision of Paragraph (1) of Clause 1 of Article 383, Clause 1 of Article 385, Article 386 and Clause 3 of Article 67 of the Criminal Law of the People's Republic of China, the following judgment is hereby rendered:

Defendant Liu Junjie has committed the crime of acceptance of bribes and is hereby sentenced to a term of 10 years imprisonment.

(The term of imprisonment shall start to run from the execution of the sentence. In the event of any detention prior to execution of the sentence, each day under detention shall offset one day of the term of imprisonment, that is, from August 6, 2013 to August 5, 2023.)

In case of disagreement with this judgment, within 10 days from the second day after receipt of this judgment, the defendant may through this court or directly appeal to Xianyang Municipal Intermediate People's Court of Shaanxi Province. In the event that such an appeal is filed in writing, the defendant shall submit one original copy and two duplicate copies of the appeal.

Presiding judge: Chang Baomin

Judge: Zhang Yan

People's juror: Zhong Zhenjiang

[seal: Qindu District People's Court, Xianyang Municipality]

February 28, 2014

seal: This copy has been verified to be consistent with the original copy

Clerk: Zhang Min



陕西省咸阳市秦都区人民法院

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2014 2 28

## 刑事判决书

(2013)咸秦刑初字第00346号

公诉机关咸阳市秦都区人民检察院。

被告人刘俊杰，男，1955年4月18日出生于陕西省眉县，身份证号610402195504181214，汉族，大学文化程度，系彩虹（合肥）光伏有限公司总经理（执行董事、法定代表人），住陕西省咸阳市秦都区彩虹一路1号内121号楼3单元4层8号。因本案于2013年8月6日被刑事拘留，同年8月23日被逮捕。现羁押于咸阳市秦都区看守所。

辩护人安文江，系陕西维思律师事务所律师。

咸阳市秦都区人民检察院以咸秦检刑诉（2013）258号起诉书指控被告人刘俊杰犯受贿罪，于2013年11月13日向本院提起公诉。本院于2013年12月13日由简易程序转为普通程序，依法组成合议庭，公开开庭审理了本案。咸阳市秦都区人民检察院指派代检察员孔令晶出庭支持公诉，被告人刘俊杰及其辩护人安文江到庭参加了诉讼。现已审理终结。

咸阳市秦都区人民检察院指控：2010年12月，被告人刘俊杰在担任彩虹（合肥）光伏有限公司总经理期间，帮助刘腾腾用挂靠的九冶建设有限公司资质承揽了彩虹（合肥）光伏有限公司的道路工程。在工程招投标前后，刘俊杰先后两次共收受刘腾腾所送现金150000元，用于家庭生活支出。

（已退回）

被告人刘俊杰对起诉书指控事实无异议。

被告人刘俊杰的辩护人辩称，被告人刘俊杰不具备国家



由 扫描全能王 扫描创建



工作人员的身份。其行为构成非国家工作人员受贿罪。

经审理查明，彩虹集团公司系国有公司，2004年9月9日，彩虹集团电子股份有限公司由彩虹集团公司独家发起设立，2004年9月10日，在陕西省工商行政管理局注册登记，取得企业法人营业执照。彩虹（合肥）光伏有限公司系彩虹集团电子股份有限公司独资成立。2010年9月20日，彩虹集团公司批准彩虹集团电子股份有限公司关于成立彩虹（合肥）光伏有限公司及其相关人员聘任的请示，同意聘任被告人刘俊杰为彩虹（合肥）光伏有限公司执行董事、总经理、法定代表人。2010年12月，被告人刘俊杰在担任彩虹（合肥）光伏有限公司总经理期间，帮助刘腾腾用挂靠的九冶建设有限公司资质承揽了彩虹（合肥）光伏有限公司的道路工程。在工程招投标前后，刘俊杰先后两次共收受刘腾腾所送现金150000元，用于家庭生活支出。案发后，赃款已收缴。

上述事实，被告人刘俊杰在开庭审理过程中亦无异议，且有书证彩虹集团公司、彩虹集团电子股份有限公司、彩虹（合肥）光伏有限公司的工商营业执照、章程、彩虹集团公司的文件、彩虹集团公司任职工作请示单、证人刘腾腾、苗溪、李引娣、张元甲的证言、涉案款收缴凭证等证据证实，足以认定。

本院认为，被告人刘俊杰身为国有公司委派到非国有公司从事公务的国家工作人员，利用职务上的便利，非法收受他人财物150000元，为他人谋取利益，其行为已构成受贿罪。公诉机关指控罪名成立。关于被告人刘俊杰的辩护人提出被告人刘俊杰不具备国家工作人员的身份，其行为构成非国家工作人员受贿罪的辩护意见。经查，被告人刘俊杰曾在彩虹集团电子股份有限公司（国有控股公司）所属的彩虹光伏玻璃厂任厂长，后彩虹集团电子股份有限公司拟成立由其独立出资的彩虹（合肥）光伏有限公司并聘任被告人刘俊杰为彩虹（合肥）光伏有限公司总经理。彩虹集团电子股份有限公司书面请示彩虹集团公司（国有公司）并经其批准同意，聘任被告人刘俊杰为彩虹（合肥）光伏有限公司总经理。依照最高人民法院、最高人民检察院《关于办理国家出资企业



由 扫描全能王 扫描创建

《中职务犯罪案件具体应用法律若干问题的解释》第六条的规定：“经国家机关、国有公司、企业、事业单位提名、推荐、任命、批准等，在国有控股、参股公司及其分支机构中从事公务的人员，应当认定为国家工作人员。具体的任命机构和程序，不影响国家工作人员的认定”。被告人刘俊杰经彩虹集团公司批准，彩虹集团电子股份有限公司聘任其为彩虹（合肥）光伏有限公司执行董事、总经理（法定代表人），从事组织、领导、经营、管理工作，属于国有公司委派到非国有公司从事公务的人员，应当认定被告人刘俊杰为国家工作人员。其利用职务便利，非法收受他人财物，为他人谋取利益，其行为已构成受贿罪。故其辩护人提出的辩护意见不能成立，本院不予采纳。

综上，被告人刘俊杰归案后能如实供述自己的罪行，依法从轻处罚。鉴于其能自愿认罪，退缴全部赃款，酌情予以从轻处罚。依照《中华人民共和国刑法》第三百八十三条第一款第（一）项、第三百八十五条第一款、第三百八十六条、第六十七条第三款之规定，判决如下：

被告人刘俊杰犯受贿罪，判处有期徒刑十年。

（刑期从判决执行之日起计算，判决执行以前先行羁押的，羁押一日折抵刑期一日，即自2013年8月6日起至2023年8月5日止）。

如不服本判决，可在接到判决书的第二日起十日内，通过本院或者直接向陕西省咸阳市中级人民法院提出上诉。书面上诉的，应当提交上诉状正本一份，副本二份。

审 判 长 常保民  
审 判 员 张 艳  
人 民 陪 审 员 钟振江

二〇一四年二月二十八日

本件与原本核对无异

书 记 员 张 敏

